

Thwaites 3 TON ALLDRIVE DUMPER advertisement with image of a dumper truck.

ovell CONSTRUCTION

CONTINENTAL SELLING PRICES: AUSTRIA S.15; BELGIUM F.15; DENMARK K.3.5; FRANCE F.3.5; GERMANY DM.2.4; ITALY L.5.85; NETHERLANDS F.1.8; NORWAY K.3.5; PORTUGAL P.2.0; SWEDEN K.3.25; SWITZERLAND F.2.0; IRE 12p

length Hall... ovell CONSTRUCTION... CONTINENTAL SELLING PRICES...

MARKETS SUMMARY

STERLING steady; gilts strong... EQUITIES marked time... STERLING gained 3 points...

SAS men \$100 each... British SAS soldiers who unauthorised crossings...

TEA PRICES rose to new peaks... The new note on the packet will read: 'HM. Government Health Department's Warning: Cigarettes can seriously damage your health...'

Tax reform draft circulated... INSTITUTE for Fiscal Studies is circulating a preliminary draft of a report...

to students... ley Williams, Secretary of Education and Science, last week...

sail for MP... us Montgomery, 49, Co-ordinator for Aittricham and a former Parliamentary secretary...

ce relief... it British shipment of left London's Heathrow yesterday for the earthquake-stricken area in Romania...

er killer... household spider in a net led to a man's death London coroner was told...

ly... us opened the Australian Parliament in Canberra...

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Advertising curbs in Government drive on smoking

By Stuart Alexander... A Government drive against smoking was launched yesterday by Mr. David Ennals, the Social Services Secretary. In agreement with the industry, there will be advertising curbs and a stronger health warning on cigarette packets.

Leyland peace hopes as Scanlon meets strikers

By Alan Pike, Labour Staff... HOPES on the toolroom strike, which precipitated the British Leyland crisis, ending rest on a meeting this morning between Mr. Hugh Scanlon and the Leyland workers union executive.

ICI to spend £550m. on new fixed assets this year

By Rhys David, Chemicals Correspondent... The recommendations would also make the task of managing a large and complex business, ensuring that it remains profitable, much more difficult.

French abandon bid for Cavenham

By Margaret Reid... SIR JAMES GOLDSMITH, the financier, yesterday dropped the controversial £31m. bid which his French master company, Générale Occidentale, was proposing to make for the 49 per cent minority interest it does not already own in Cavenham, the big British food group.

FT Index

British Petroleum is included in the FT Industrial Ordinary share index from 10.00 a.m. to-day in place of Cavenham.

Concorde ban faces court challenge

By Our Foreign Staff... NEW YORK'S ban on Concorde will definitely be challenged in the U.S. courts next week, the British and French Governments and their State airlines confirmed yesterday.

Table with columns: Features, FT Survey, On Other Pages, Prospects. Includes items like European textiles, Society To-day, The U.S. armed forces, etc.

Advertisement for The London Hilton and The Kensington Hilton, featuring a cartoon character and promotional text.

ADVERTISER

LOMBARD

The imbalance in public spending

BY PETER RIDDELL

THE LOP-SIDED structure of public expenditure produced by the series of cuts exercised in the last two years is now apparent for all to see. Capital spending is due to fall sharply—indeed by an unprecedented amount for the post-war period—while expenditure on grants and subsidies continues to expand.

Clear break

But while Mr. Ward and the Treasury disagree on certain of the figures, there is no doubt that the planned spending for 1977-78 represents a clear and major break with the recent past. Total public spending (excluding financial transactions) has been rising by nearly 5 per cent a year between 1971-72 and 1975-76 and by a somewhat smaller percentage in the current financial year, but is now projected to decline by 1 per cent in 1977-78, and by a larger amount if the sale of BP shares is included.

Construction

The danger is that this will happen again. Consequently if the aim of diverting resources away from the public sector is to succeed in the longer-term, there will have to be a shift in the balance between current and capital spending within the limited total available for Government expenditure.

TV/Radio

Indicates programme in black and white. BBC 1. 6.40 a.m. Open University (UHF only). 9.15 For Schools, Colleges, 10.45 You and Me. 11.00 For Schools, Colleges. 12.45 p.m. News. 1.00 Pebble Mill. 1.45 News and Today. 2.01 For Schools, Colleges. 3.55 Regional News (except London). 5.55 Play School. 4.20 The Wombles. 4.25 Jackanory. 4.40 The Great Grape Ape Show. 5.00 John Craven's Newsround. 5.10 Three's Company.

F.T. CROSSWORD PUZZLE No. 3,325

Grid for crossword puzzle with clues. 1. Bob's recently stolen some ammunition (4-4). 5. Proceed before one is found in every part of book (6). 9. Vessel to catch is rot (8). 10. First person to row by way of profession (6). 11. Mind one's stomach (5, 3). 12. Like perfume to be going up (6). 14. Examination restricted to those who have passed (4, 6). 17. The British are for the Manx TT (6, 4). 18. Pitch Scotsman on to landing ground (6). 23. Kiss oversize copper far into night (8). 24. Robber put a stop to it we hear (6). 25. Don't catalogue so many items for the indifferent (8). 26. Examination of the famous (6). 27. Boy who was long near to breakdown (8).

Answers to crossword puzzle. Across: 1. Bob's recently stolen some ammunition (4-4). 5. Proceed before one is found in every part of book (6). 9. Vessel to catch is rot (8). 10. First person to row by way of profession (6). 11. Mind one's stomach (5, 3). 12. Like perfume to be going up (6). 14. Examination restricted to those who have passed (4, 6). 17. The British are for the Manx TT (6, 4). 18. Pitch Scotsman on to landing ground (6). 23. Kiss oversize copper far into night (8). 24. Robber put a stop to it we hear (6). 25. Don't catalogue so many items for the indifferent (8). 26. Examination of the famous (6). 27. Boy who was long near to breakdown (8).

RACING BY DOMINIC WIGAN

Aztec Star double likely

RICHEAD HEAD, whose top-class chaser Border Incident will not seem out again this term, can bring his first prize winnings for the season to almost £30,000 with a victory through Aztec Star at Worcester this afternoon. A good second to Chance A Look at Folkestone just before Christmas, Aztec Star went one better at Lingfield last week, outclassing Crusier Lan and four others in the valuable Godstone Chase over today's trip of two miles.

Worcester

Another in-form Lambourn trainer who could add to his tally here is Frank Winter, whose six-year-old Jackadandy, is my choice for the Wychbold Hurdle. This tough and consistent gelding showed that he is still at the top of his form when defeating De Bergerac, whom he was meeting on level terms, by 14 lengths at Fovwell seven weeks ago.

SALEROOM BY ANTONY THORNCROFT

Henley Regatta makes £8,000

A VIEW of the 1884 Henley Top price was the £575 paid by Regatta, by Walter Field, the Fox, Fowler for a £5 note "property of the Constitutional Club, sold for £8,000 (plus 10 per cent buyer's premium) at a Tada hand-signed note, dated March 1, 1927, was bought by Roy Miles for £8,000, almost double the previous best for the artist, and again way ahead of target. Sotheby's had sold the same picture in 1972 for a modest £550.

SNOW REPORTS

Table with columns: Region, Depth, Weather, Snow level. Includes reports for Berlin, Bonn, Frankfurt, Hamburg, Munich, Cologne, and other German cities.

GARDENS TO-DAY BY ROBIN I.

Time for more cheer splashes of colour

TRIMMING your roses at the correct season, admiring the early daffodils (the pale W.P. Miller still seems to me to be excellent), having your seed-potatoes now that they are sprouting in order to double their numbers, you may not have much patience with those like me, who are still gloomy.

Dramatic

The best value must surely be the orange-yellow Covosora Ver-Hellena, a daisy flower which lasts so long and is so very brightly coloured. The one called Verticillata grandiflora seems to me to be the best because it is only two to three feet tall, needs no staking and flowers continuously from mid-June to September.

Sunshine

If it is ever to be so hot again, I must have more colour to cheer up the sunshine. Flower-arrangers have done much for garden fashions. But perhaps they are females, they have made us all think twice before stooping to anything brash and spectacular. Greens, whites, creams, pale blues and mauves mix with silver leaves in the grand gardens worked out in the 1850's.

Casualty

If it rains no more, I have certainly returned to the normal, as they are a front rank perennial summer. Denie seasons. I've been divided, and I tend to put on a pair of trousers. If you are certainly return to the normal, as they are a front rank perennial summer. Denie seasons. I've been divided, and I tend to put on a pair of trousers.

ENTERTAINMENT GUIDE

Comprehensive entertainment guide listing theatres, operas, and other events. Includes sections for Opera & Ballet, Theatres, and various performance listings with times and locations.

EUROPEAN NEWS

Spain to legalise strikes, ease law on dismissals

MAJOR CHANGES aimed at liberalising Spain's laws on labour relations were announced here today by the Minister of Labour, Sr. Alvaro Calderon. Giving the first details of the decisions taken at last Friday's Cabinet meeting, the Minister said that a royal decree to be published shortly would establish an almost unrestricted right to strike and greater freedom for employers to dismiss surplus labour.

Tindemans in talks on early elections

BRUSSELS, March 8. PRIME MINISTER Leo Tindemans today held talks with leaders of all Belgian parties to try to get the necessary amount of agreement on constitutional reform that would allow him to call early elections. To enable the talks to take place, the Premier postponed until tomorrow a Parliamentary speech that he was to have made on the future of his minority Government.

EEC POSITION ON UNCTAD

Compromise by Foreign Ministers

FOREIGN MINISTERS of the Nine tonight agreed a joint EEC position for the opening of UNCTAD negotiations towards a possible 50th common international fund to promote more stable raw material prices. The unexpected agreement represents a compromise between the Dutch demand for enthusiastic Community support for setting up a fund, and the near opposition of principle by West Germany.

Record Portugal trade deficit

THE PORTUGUESE trade deficit for 1976 reached an all-time high of 73bn. escudos (£1.1bn.)—an increase of £350m. over 1975. This is despite the widening import restrictions imposed last autumn and some improvement in exports of wine, cork, textiles and services like ship repairing. Portugal hopes to improve its balance of payments for 1977 following the recent 15 per cent devaluation of the escudo, which the authorities hope will attract greater numbers of tourists and emigrants' remittances. As far as exports are concerned, it is widely acknowledged that Portugal's range of products and industrial structures will take some time to improve and thus benefit from devaluation.

Record Portugal trade deficit

LISBON, March 8. The Ministry of Agriculture will officially expropriate 500,000 acres of land in the southern Alentejo province. This land was seized by militant Communist-backed labourers in 1975, who have worked it since then as part of collectives or co-operatives, albeit without official recognition. The continuation of expropriations after a long pause is a source of dismay to the militant, ultra-conservative Portuguese Farmers' Confederation, banking on a change of heart by an ever less socialist and ever more social democratic Government and an end to any further expropriations.

EUROPEAN PARLIAMENT

Gaullists plan to press vote on censure over butter exports

THE GAULLISTS in the European Parliament intend to press ahead with plans to censure the EEC Commission over the butter exports affair, though the move appears to enjoy only scattered support among other European Members. Michel Cointat, a former French Agriculture Minister, said today that at his recommendation the tabling of a formal motion of censure had been approved by the European Progressive Democrat grouping, which includes 11 Gaullists, five Irish Fianna Fail MPs and a Dane.

Roman asks for temporary aid halt

BUCHAREST. ROMANIA has offered to suspend supplies for earth to halt such of the country's needs. Romanian officials said that they had offered to suspend supplies for earth to halt such of the country's needs. Romanian officials said that they had offered to suspend supplies for earth to halt such of the country's needs.

Colombo is elected President

SIG. EMILIO COLOMBO, twice Italian Prime Minister in the early 1970s, was today elected President of the European Parliament for its new session, in theory the last before direct elections to the assembly in the summer of 1978. Sig. Colombo, a Christian Democrat, succeeds the French Socialist M. Georges Spénale who had held the post for two years. He was only elected on the third ballot after strong opposition from M. Spénale himself and Senator Michael Yeats of the conservative Irish Fianna Fail.

CDU urges pressure on E. Germany

ENCOURAGED BY the support of President Jimmy Carter and German Chancellor Helmut Schmidt, the CDU is urging pressure on the East German Government in exchange for further development of contacts. It made clear that a future CDU Government would probably do little to change the commitment of the present Social Democratic-Free Democratic coalition to improving relations with the GDR as and when it can.

French ecology candidates gather strength

THE VITAL French municipal elections, the first round of which is due to be held next Sunday, have suddenly turned the spotlight on a powerful ecological movement which could well influence the result in closely contested constituencies. Considered no more than an amusing political irrelevance at the time of the last presidential elections, in which an antibleague university professor, M. René Dumont, polled only about 300,000 votes in the whole country on an ecological ticket, so-called Green candidates are being treated much more seriously this time.

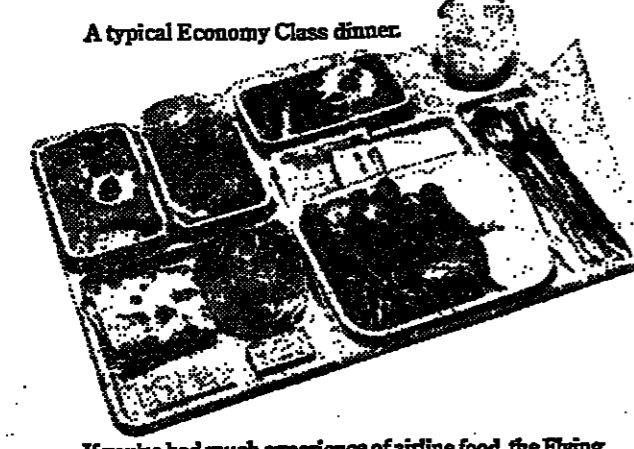


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SPERRY RAND

Argentinian offers \$10m. for Falkland Islands Co.

BERT LINDLEY

SR CAO SARAVIA, an Argentine industrialist, has offered to buy the Falkland Islands Company for \$10 million. He says he is interested in the company's assets, which include the islands and the rights to the oil and gas reserves.

Mr. Cao Saravia has also offered to buy the Falkland Islands Company for \$10 million. He says he is interested in the company's assets, which include the islands and the rights to the oil and gas reserves.

BUENOS AIRES, March 8. Sr. Cao Saravia has also offered to buy the Falkland Islands Company for \$10 million. He says he is interested in the company's assets, which include the islands and the rights to the oil and gas reserves.

Young backs SA investment ban

By David Bell

WASHINGTON, March 8.

MR. ANDREW YOUNG, the U.S. Ambassador to the United Nations, said today that he personally supports a Swedish proposal that would ban all future foreign investment in South Africa but that the U.S. Administration has yet to take a "policy decision" on the issue.

In a newspaper interview, Mr. Young also said that he expects majority rule in South Africa "within ten years" but that the regime there is currently strong enough to put down any internal or external threat to it.

He did not elaborate on his remark about investment in South Africa, but it is unlikely that the U.S. Administration would be prepared to support Sweden's UN resolution in its current form. If anything, Mr. Young said, the U.S. President has stressed the need for more U.S. investment to improve the standard of living of black South Africans and give the U.S. greater economic leverage in the country.

THE U.S. ARMED FORCES

Soldier blues

BY NANCY DUNNE IN WASHINGTON

LONG MUTED opposition to the concept of all-volunteer U.S. armed forces has begun to emerge four years after the military draft was officially pronounced dead.

Critics range from conservative senators like Mr. John Stennis and Mr. Sam Nunn of the Armed Services Committee, who question the immense cost of the system, to liberals like Senator Edward Kennedy, who fear the emergence of a "mercenary class."

These criticisms alone are not likely to resurrect the draft. While the cost of manpower—now eating up some 56 per cent of the defence budget—has grown enormously, the draft would not necessarily be much cheaper. Law still provides that the military be paid wages comparable with those of civilian workers, and higher pay accounts for the bulk of the increased cost.

The right kind were in short supply. To attract volunteers to the "streamlined action" army, Congress has voted it generous pay, now four times what it was a decade ago.

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high-school graduates. If the Pentagon is having manpower problems now while unemployment is high, the problem will become much worse once the economy improves.

The Congressional Budget Office has predicted that even given 7.5 per cent unemployment, the services will fall 30 per cent below projected recruiting goals by 1980.

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per cent of all air force tactical airlift capability. A growing desertion rate indicates that recruits may have had false expectations of service life.

The office concluded: "A return to the draft would impose higher costs of a different sort. Conscription would tend to increase turnover, training loads, and other forms of military personnel overhead, and would probably result in a requirement for more men and women in total to field a military force of the current size."

Now that the draft has been abolished, many of those who cheered its demise are realising it was not the selective service system they disliked, but the war it was serving.

Earlier Canada budget to stimulate economy

BY VICTOR MACKIE

OTTAWA, March 8.

FEDERAL Finance Minister Donald Macdonald told a surprise House of Commons here that he will bring down the next budget on March 31, earlier than had been expected.

He said the present policy was that used since 1970, under which the dollar has floated freely on the international money markets.

Mr. Young was also asked about the possible use of U.S. troops as part of a UN peace-keeping force in Rhodesia, in the event of full-scale war there.

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Drought worrying U.S.

BY OUR OWN CORRESPONDENT WASHINGTON, March 8.

THE WORSENING water shortage and local officials that unless age in much of the U.S. is now beginning to cause serious concern in Washington, although drought there are still some weeks to go before the situation begins to become critical.

The prolonged drought, which has been going on for as much as 18 months in some parts, has reduced flows to well below normal in streams in 80 per cent of the country.

Ground water agricultural industry as much as 860n. this year. In other parts of the country it will be about six weeks before the effect of water shortage on the winter wheat crop can be properly gauged.

There have already been reports of dust storms, during which the wind carries away the normal level, which could vital fertile top soil. It was these have serious consequences.

In California, Gov. Edmund Brown told a conference of 1,000 state and local officials that unless age in much of the U.S. is now beginning to cause serious concern in Washington, although drought there are still some weeks to go before the situation begins to become critical.

North-South talks move

BY JOSEPH MANN

CARACAS, March 8.

THE FINAL phase of the North-South dialogue in Paris will begin by the end of May "at the very latest," according to Venezuelan Minister Manuel Perez Guerrero, one of the co-chairmen of the conference.

Mr. Perez Guerrero and the conference's Canadian co-chairman, Mr. Allan J. MacEachen, told a conference in Caracas that a work calendar had been prepared for the last part of the conference on international economic co-operation, and that the proposed schedule, along with dates for the final meetings, would now be presented to the 27 members of the conference for approval.

CHILE COPPER OUTPUT RISE

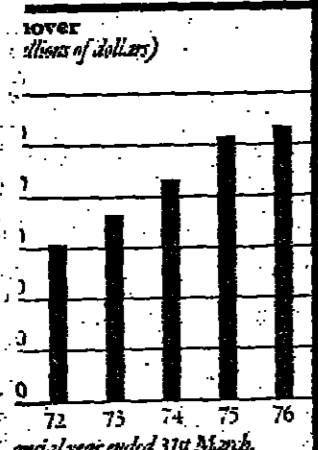
SANTIAGO, March 8.

Chilean copper output last year was 7,005,200 tonnes, against 7,000,000 in 1975 and 902,100 tonnes in 1974, the Central Bank would not be forthcoming until said the ministerial meeting in Paris.

There's nothing like growing for growth.

One thing you can't do in business is remain static. I can expand or shrink, depending upon your attitude to life and reserves of get up and go. If all your get up and go has got up and gone there's much hope for you.

On the other hand if your idea of growing is to puff yourself up like the proverbial bullfrog - well there's not a lot of future in that either. We like to think we've done rather well in the growing stakes - creating a Corporate Entity able to cross-fertilize ideas and innovations - offering all a chance to grow under the protection of a unified strength

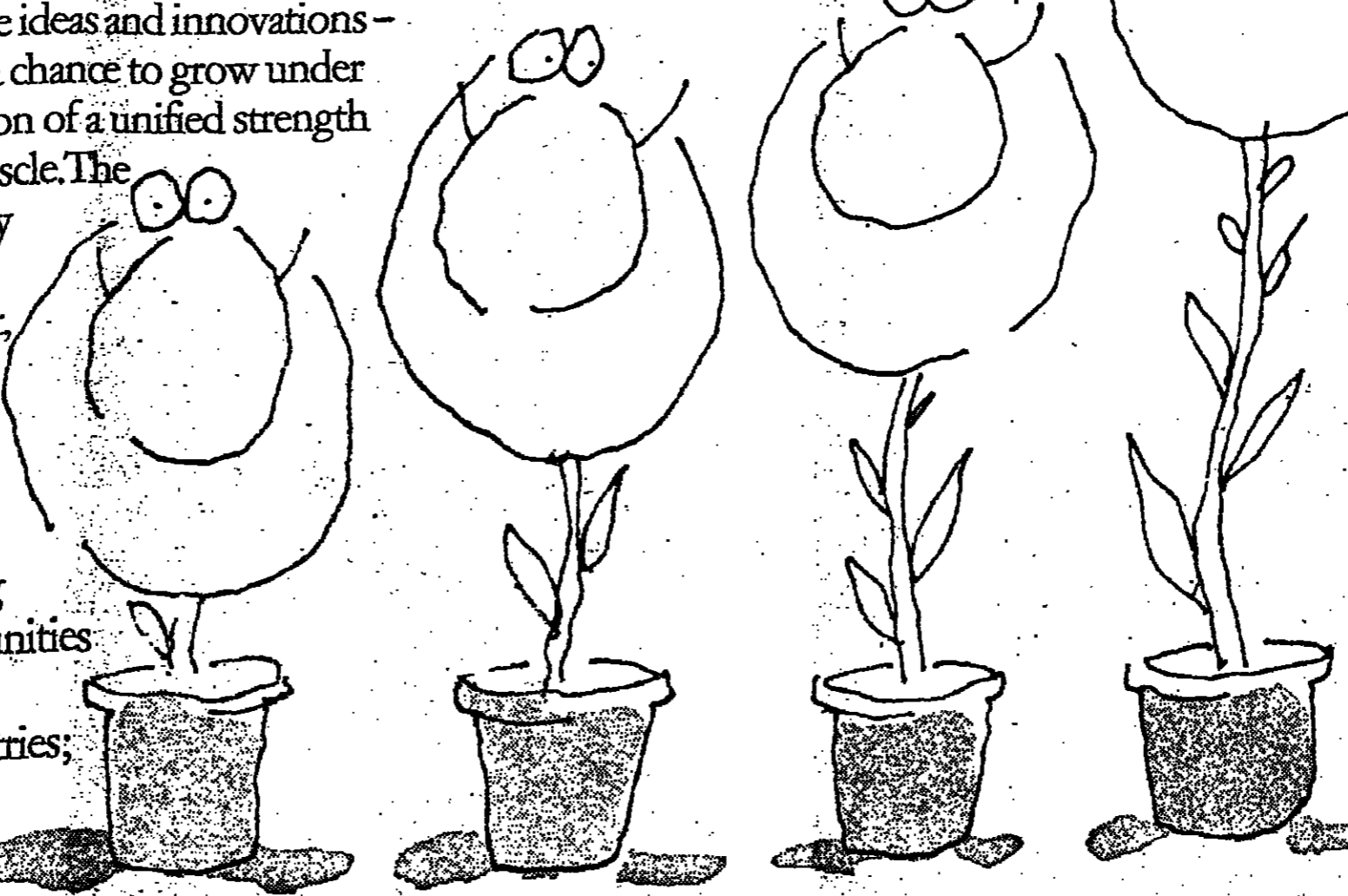


powered by real investment muscle. The kind of muscle a single company wouldn't develop on its own. All this has paid off in profit, which is not a dirty word - profit is that which prevents a company going to the government for a handout. And profit is what's creating health, work, and work opportunities with 17 factories, and 23,000 employees in 15 European countries; six major plants and over 6,600 employees in the UK alone.

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OVERSEAS NEWS

Arafat, Hussein meet after six years

MR. YASSER ARAFAT, the Palestinian guerrilla leader, met with Jordan's King Hussein for a working lunch today...

declined to divulge details of the discussions, but the meeting appeared to seal a quiet reconciliation between the PLO and Jordan...

new agreement in the Middle East, has said that the PLO now accepts that any future Palestinian state will have to be linked in some form to Jordan.

Opposition in India fear poll rigging

BY K. K. Sharma NEW DELHI, March 8. A WEEK before polling starts in the Indian General Election, opposition leaders have expressed fears that the ruling Congress Party is preparing to use unfair means to ensure victory for its candidates in selected constituencies.

Israel border remark by Carter causes flurry

BY DAVID BELL WASHINGTON, March 8. MR. JIMMY Carter, the U.S. President, set off a flurry of diplomatic activity yesterday with his apparently off-the-cuff remark that the U.S. endorses Israel's longstanding demand for 'defensible borders' as part of any Middle East peace settlement.

referred to defensible borders since the 1973 Arab-Israeli war. The usual reference is to 'securely recognised' borders in line with the United Nations Security Council Resolution 242. The State Department said that no change in policy was implied, and that in particular, Mr. Carter's remarks carried no geographic connotation.

ment wants to see attached to them. All through the election campaign Mr. Carter used the phrase 'defensible borders' and spoke warmly of Israel insisting that only if Israel felt truly secure about its ability to defend itself in the future would it be prepared to make real concessions to the Arabs. It is thus more than likely that the use of the phrase defensible borders was not accidental and was designed to be a signal to the Israelis of the new administration's feelings.

Interim £2.2bn. budget drawn up

BY L. DANIEL JERUSALEM, March 8. WITH PREMIER Yitzhak Rabin's minority caretaker Government unable to obtain passage of its 1977-78 draft budget through the Knesset, an interim budget of £2.2bn. for the period April-July has been hammered out by an inter-party committee.

With the public services having largely secured total victory in their pay demands, and with industrial workers now asking for negotiations on their contracts, the next government appears faced with the choice of permitting inflation to run amok, with all that this implies, or enacting a wage and price freeze.

expected to make substantial inroads into the parliamentary strength of the Labour Party. This policy, subject to approval by the party's convention later this month, states that in the search for peace and preservation of the Jewish character of Israel, the country must be prepared to make territorial compromises while safeguarding security in peace agreements. Such agreements must involve the abolition of the Arab boycott and of hostile propaganda and provide for free navigation, the exchange of diplomats and the free flow of commerce and tourism across secure frontiers.

Queen booted in Australia

BY KENNETH RANDALL CANBERRA, March 8. THE QUEEN and the Duke of Edinburgh were booted by small groups of demonstrators as they arrived at Parliament House today for the Queen's ceremonial opening of the new session of Parliament.

Queen booted in Australia

It was the first such incident since the Royal visit to Australia began yesterday. Though they were far outnumbered in the big crowd, the demonstrators renewed their protest when the Queen and Duke reviewed a parade of 1,600 service personnel.

WORLD TRADE NEWS

Imports 'damage' U.S. TV industry

BY DAVID BELL WASHINGTON, March 8. ALL SIX members of the U.S. International Trade Commission (ITC) ruled today that imports of all kinds of televisions have damaged or threaten to damage the U.S. television industry.

The ITC verdict does not specifically mention Japanese imports of television sets but there is no doubt that it is with these that both the ITC and the industry have been mainly concerned. Four of the Commissioners found that imports have damaged the domestic industry and the other two said that it threatened to do so.

It is widely expected that the ITC will recommend that the President either set sharply higher tariffs on television sets or fairly strict quotas to counter what the U.S. television industry says is unfair competition, particularly from some Japanese manufacturers.

WASHINGTON, March 8. The U.S. Customs Court in New York is still considering its verdict in a related case which also concerned television sets. The court has already heard a complaint from the Zenith Corporation, which makes televisions, that Japanese rebates of tax on sets exported is an unfair subsidy.

France may seek ceiling on imports of Japanese cars

BY HENRY SCOTT STOKES PARIS, March 8.

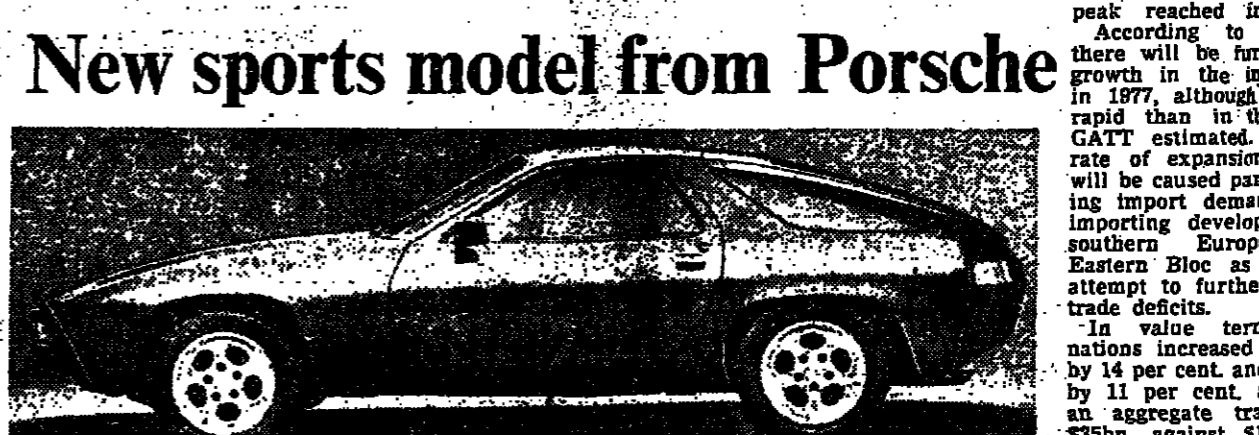
THE FRENCH car industry is considering whether to seek an agreed ceiling on imports of Japanese vehicles along the lines of the informal arrangement in the U.K. under which Japan has confined itself to 10 per cent of the British market, according to industry sources.

With this background, the French car industry is studying the desirability of placing a ceiling on Japanese imports. Last year Japanese cars accounted for only 3 per cent of the French market.

EXPORT UPGRADE TOK JAPANESE car revising upward shipment plans in demand for their seas, especially America. Motor 37,000 vehicles, 41,000 in January and 42,000 compared with planned 30,000 a first quarter.

New sports model from Porsche

APART from being one of the fastest sports cars in the world, the Porsche 928, announced today, incorporates several advanced safety ideas. Its 4.5 litre, V8 engine is front mounted but the five-speed gearbox or optional automatic transmission is combined with the final drive at the rear, giving an ideal 50/50 weight distribution.



shape after severe distortion. So the 928 remains virtually unmarked after collisions that severely damage the other car involved. A new type of rear suspension, patented by Porsche as the Weissach-Axle, keeps the car on its correct line through a corner even if the driver has to decelerate suddenly.

Vietnam eases foreign investment law

MANILA, March 8. VIETNAM PLANS to allow foreign investment of up to 49 per cent in selected joint venture industries, possibly including oil exploration, a Philippines trade mission reported today. It also said Vietnam expects to double its agricultural acreage this year and has embarked on a large-scale export promotion drive.

West Bank riots move

BY OUR OWN CORRESPONDENT JERUSALEM, March 8. ADDITIONAL SECURITY forces have been moved by the Israeli authorities into the West Bank town of Ramallah following two days of rioting by high school pupils there.

Arabs pledge Africa aid

BY ROBERT GRAHAM CAIRO, March 8. THREE Arab oil producers, Kuwait, the United Arab Emirates and Qatar, today pledged a total of \$453m. in development assistance to Africa African liberation movements, in speeches at the Afro-Arab summit here. This brings the total Arab assistance pledged so far to \$1,453bn., of which \$1bn. will come from Saudi Arabia.

Transkei claim

UMTATA, March 8. SOUTH AFRICA must return to the Transkei land areas belonging to it by historical right, or face the possibility of armed conflict, Transkei Premier Paramount Chief Kaiser Matanzima said today.

South Lebanon clash

BY IHSAN HIJAZI BEIRUT, March 8. MILITANTS of the Palestinian organisation, according to eyewitnesses. Unconfirmed reports said as many as 20 people were killed in the clashes in which rockets, rifle propelled grenades and machine-guns were used.

Japan expected to cut discount rate 0.5%

BY DOUGLAS RAMSEY TOKYO, March 8. THE BANK of Japan will shortly cut its official discount rate by 0.5 per cent after several months' procrastination, sources inside the bank have revealed. Governor Teichiro Morigata is expected to make the formal announcement on Friday.

WORLD CYCLE MARKETS

Raleigh looks towards Europe

A MUCH higher profit forecast for 1977 based on a pick-up in its European operations is being made by the world's biggest bicycle manufacturer, Raleigh of Nottingham and Birmingham. The company, which still takes over 50 per cent of its home market in unit terms and nearer 60 per cent by value, has slowly been reshaping its attack on the world market since the collapse in late 1974 of the U.S. market.

weight cycles, decided to open a manufacturing and assembly plant at Enid, Oklahoma. For Raleigh the loss of the U.S. market has not been catastrophic. Although exports dropped from 345,000 in 1974 to about 140,000 last year the European, Middle East and African markets have been steadily picking up and it is in these areas that continued growth is expected.

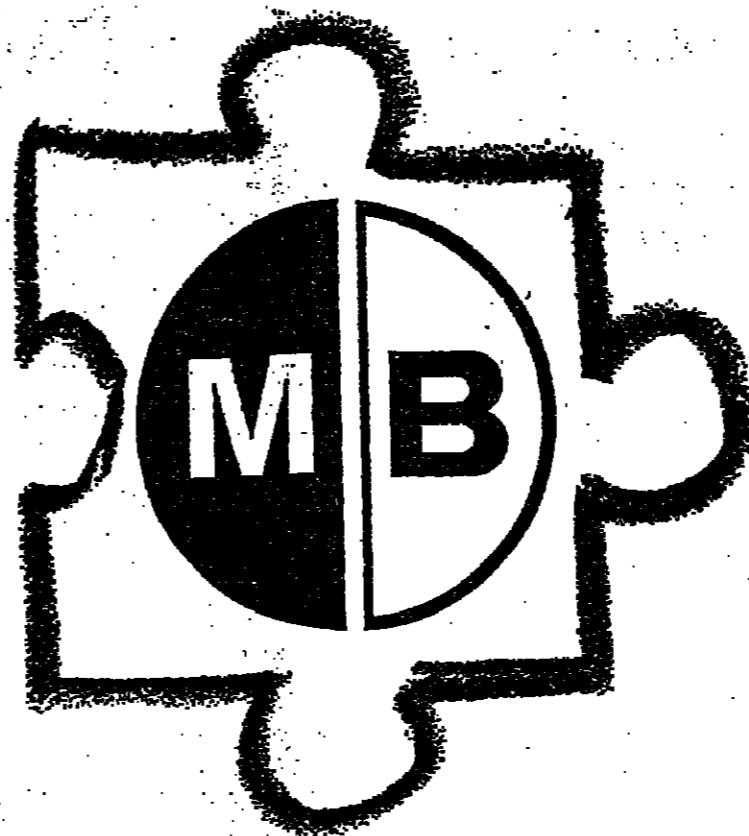
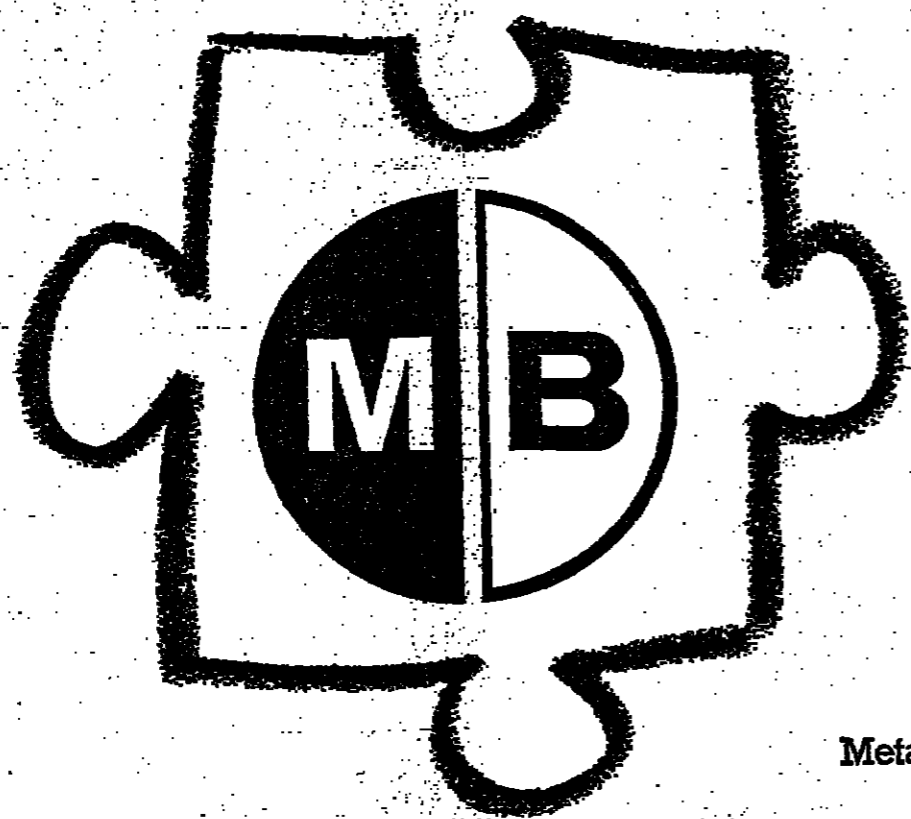
At the same time Raleigh is at last making a serious drive in Europe where it faces fairly stiff competition, particularly from the French, Austrians and Italians, and from West Germany.

cost of about £250,000 keep its name in public far more than Englishman can understand. Because of this the company has been pulled through without dandles at its large factory, nor at its E plant. It has also been F Puch of Austria, who again in comparison with the U.K. labour market look too expensive.

Today, Leicesters brings our storage space to 550,000 sq

Advertisement for Leicesters storage space, featuring text about storage capacity, location, and contact information for Apollo Freight Ltd.

J.P. Pinto Ltd



Diversity: it's Metal Box's business.

Metal Box didn't become one of the world's largest packaging companies simply by producing metal boxes.

We make containers in everything from metal to paper. We make the machinery to produce them and fill them. We provide packaging installations, after-sales service and consultancy to help our customers make the most effective use of the containers we supply.

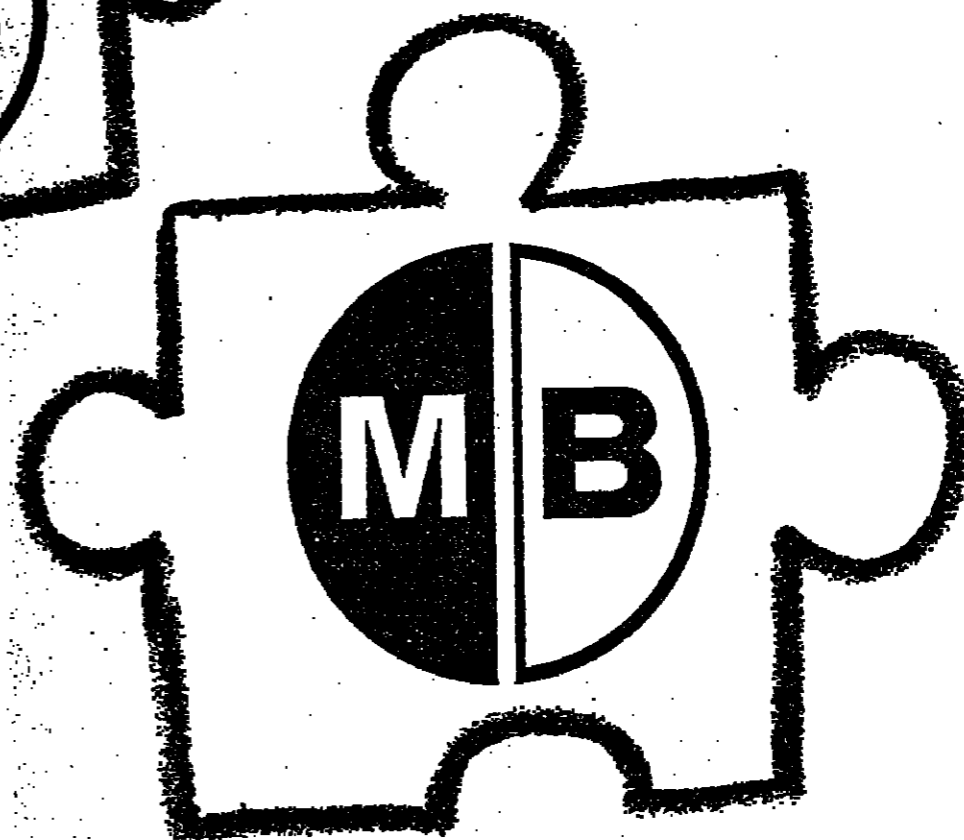
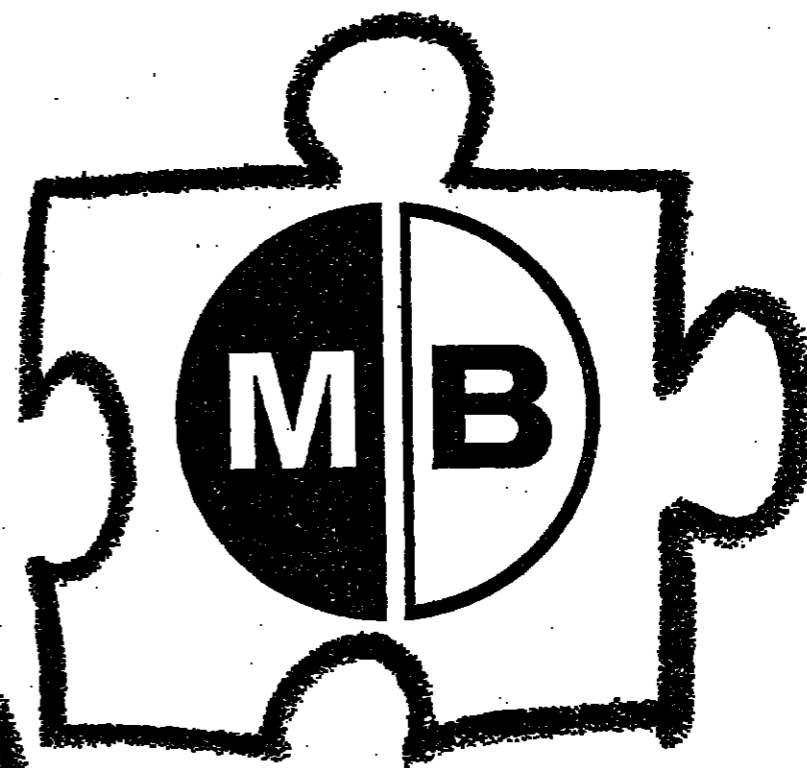
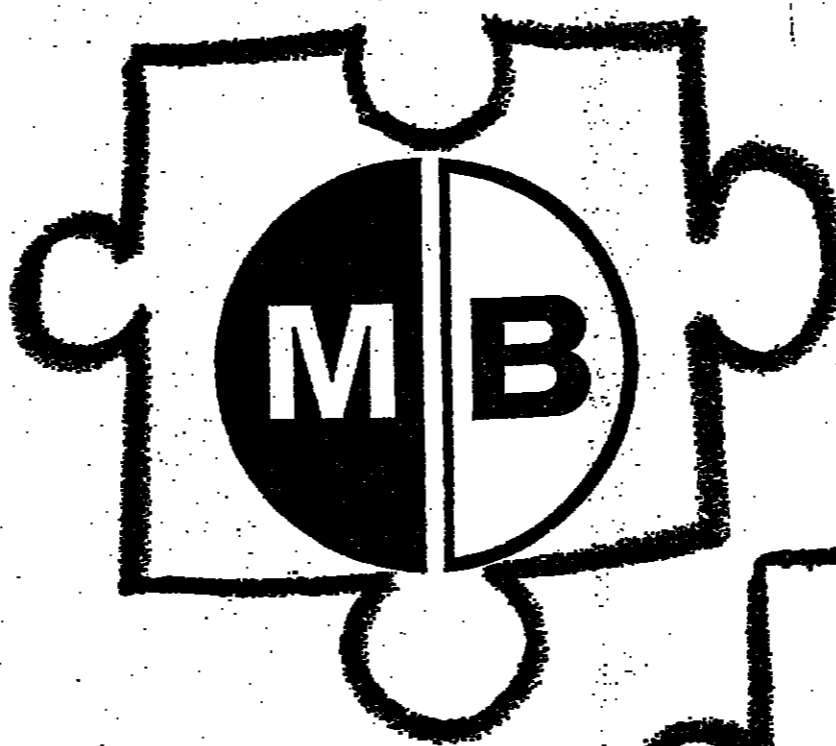
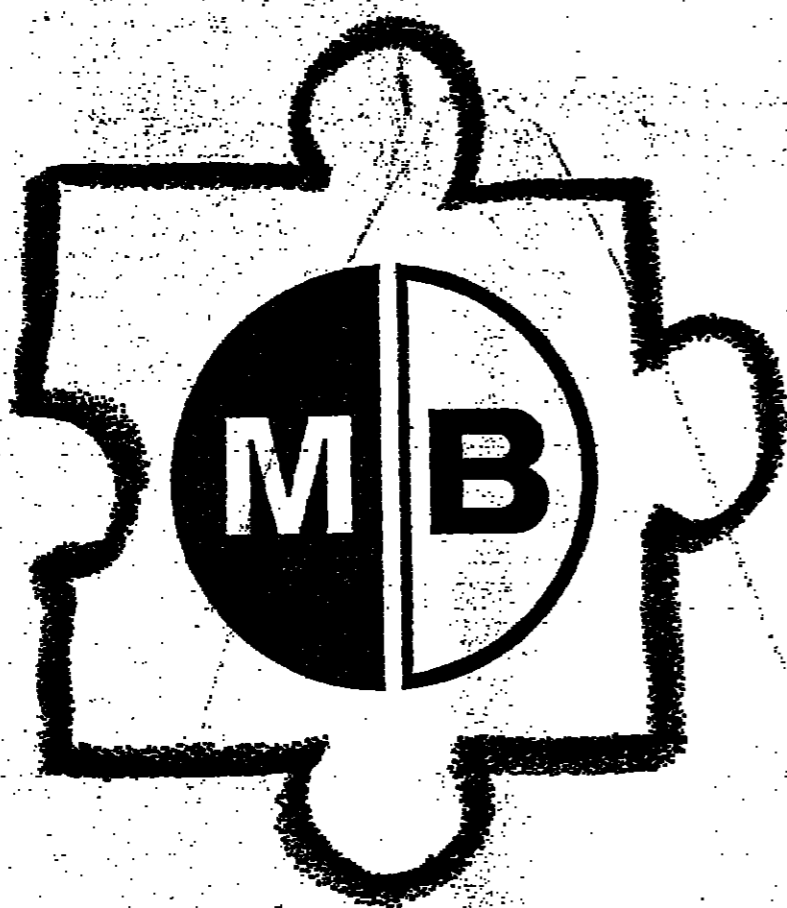
And we continue to seek new fields in which our manufacturing and marketing expertise can be put to profitable use; as with the acquisition of Steirad, now part of the Metal Box family, and the world's largest manufacturer of radiators for central heating.

Today's new ventures could be the profit centres of tomorrow, which is why Metal Box will continue to see planned diversity as a major strength.



Metal Box Limited

A good business to be in



TV in
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HOME NEWS

New move to control credit reference

BY MICHAEL BLANDEN
CONSUMER BORROWERS will be able to check and correct information held about them by credit reference agencies from May 16 this year as a result of new regulations being introduced by the Government.

Homes societies expect month's take of £200m.

BY MICHAEL CASSELL, BUILDING CORRESPONDENT
BUILDING SOCIETY receipts now as good as it was a year ago, recovery in inflow of funds has so far been slower than might have been expected.

Drop in construction output in line with industry forecast

BY MICHAEL CASSELL, BUILDING CORRESPONDENT
CONSTRUCTION work carried out in Britain last year was worth 4 per cent less than in 1971, and a further 8 per cent fall is expected this year.

Board seeks 3,000 miners

BY ROY HODSON
NEW JOB opportunities for the North-East, where unemployment is 2 per cent above the national average, were announced today by the National Coal Board.

Pressure increases on Laker Skytrain

BY IAN HARGREAVES
PAN AMERICAN yesterday joined the group of U.S. airlines clamouring to compete with Mr. Freddie Laker's cut-price transatlantic shuttle, Skytrain.

SAS eight cleared of most serious charges and freed

BY OUR OWN CORRESPONDENT
THE EIGHT SOLDIERS of the Army's Special Air Service charged with possessing "unlicensed firearms" with intent to endanger life, when arrested last May inside the Irish Border were acquitted yesterday by the Special Criminal Court in Dublin.

British Gas to enter two-tariff

By Ray Dafter, Correspondent
BRITISH GAS is to enter credit tariff, duces a 10 per cent increase on the National Gas Council agreed a plan to raise rates.

Attack on misleading heating claims

Financial Times Reporter
SEVERE CRITICISM of misleading advertisements by the heating industry was made last night by Mr. A. J. Franklin, president of the Consumers' Association.

Piper oil caught up in pricing muddle

BY RAY DAFTER, ENERGY CORRESPONDENT
CRUDE OIL from Occidental's North Sea Piper Field seems to Allied Chemical and Getty be caught up in the worldwide oil pricing muddle that has arisen from OPEC's decision to impose a two-tier pricing system.

Price Board

The increase in Br still not rationalise its r There are four Scottish, Wales; West-Eastern; Northern, North North-West; an lands and West; The Corporation; Price review accepted that on normal criteria; crease would tioned.

Burmeister ship link with Souter

By Our South Shields Correspondent
W. A. SOUTER, the Newcastle Shipping Company, has entered a new agreement with Burmeister & Wain, the Danish shipbuilders.

Midland plans branches for basic banking only

FINANCIAL TIMES REPORTER
THE Midland Bank is planning an experiment aimed at changing the structure of its branch network to cope with continued expansion of business over the next decade.

William offers to study

By Michael Dixon, Education Correspondent
MRS. SHIRLEY W. might offer to study leaders to discuss increases in tuition have led to a study in most areas of technical education throughout Britain.

Industry remains unworried

BY STUART ALEXANDER
ALTHOUGH manufacturers recognise that they can have an effect on the continuing decline in the number of cigarettes sold every year and the weight of tobacco going into them.

Table with 4 columns: Brand, Manufacturer, Tar mg., Nicotine mg. Lists top ten sellers like Player's No. 6, Embassy Filter, etc.

Dell to report on debt group

Financial Times Reporter
MR. EDMUND DELL, Secretary for Trade, has appointed Department of Trade inspectors to investigate and report on the affairs of Credit Collections, the private credit recovery company.

Tower Bridge walkway

LONDON'S City Corporation proposes to reopen the tower of Tower Bridge to the public and to exhibit some of the original machinery. The bridge is a Grade I listed building.

Wyatt promise to betting shops

BY MICHAEL THOMPSON-NOEL
MR. WYATT'S call for State-run betting was derided by the big betting companies when he first made it. It is a theme the Royal Commission is likely to examine carefully, both on social and financial grounds.

Godfrey Davis Contract Hire advertisement. Includes text about services, contact numbers (01-723 6592 for cars, 01-965 6659 for trucks), and the Godfrey Davis logo.

Rose man's will

MR. HARRY WHEATCROFT, the rose grower who died in January, aged 78, left £60,165 gross, £55,708 net, in his will published yesterday.

BOOKMAKING companies whose shops would be nationalised if the Government introduced a State monopoly of betting should be paid considerable compensation for their lost businesses and profits. Mr. Woodrow Wyatt said yesterday.

HOME NEWS

Handwritten note: J.P. ...

Plessey senior managers barred from sit-in HQ

SENIOR management of Plessey has been barred from entering the headquarters in Liverpool...

Fiesta campaign boosts U.K. small car market

THE HEAVY advertising campaign inspired by the launch of the Ford Fiesta has given a big boost to the whole of the small car market in Britain...

Fridge exports go up by 83%

THE HOT summer failed to make any impact on home refrigerator sales last year, as inflation continued to take its toll on would-be buyers' spending power...

U.K. CAR REGISTRATIONS

Table with columns for February and 2 months ended February, listing registrations for various car models like British Leyland, Ford, Vauxhall, etc.

Evvy on spending could replace p tax brackets

relatively straightforward conversion of the gains and investment income are states of U.K. income tax both grossly misleading...

ITV claims 56% viewers

By Michael Thompson-Noel INDEPENDENT Television's fight-back in the television ratings battle with the BBC continued last month...



When it comes to survival, being big doesn't carry much weight. As a company, the larger you are, the more vulnerable you become. Especially if your production, administration and distribution are concentrated in one location...

Export sales amounted to £18.2m, compared with £10.5m in 1975. In terms of the number of refrigerators sold abroad there was an 83 per cent advance...

Of the four leading manufacturers, only Vauxhall suffered a decline in production from 2,755 units to 2,178. Chrysler (U.K.) recorded a big jump from 1,649 units to 3,478...

LABOUR NEWS

Strikers at Linwood agree to plant running probe

BY OUR GLASGOW CORRESPONDENT

MEMBERS of the Association of Transport and General Workers' Union in Scotland today called for a public inquiry into the running of Chrysler's Linwood car plant in Scotland and its uneasy labour relations...

AN INQUIRY into the running of Chrysler's Linwood car plant in Scotland and its uneasy labour relations is to be set up, provided the 3,500 strikers who have stopped work agree to go back...

Pledge to bring essential supplies to power station

BY OUR LABOUR CORRESPONDENT

BRITISH NUCLEAR Fuels, Nitrogen is used as a fire blanket in dangerous parts of the process, and carbon dioxide is used as a coolant for the five reactors at the site, four of which are completely shut down...

But it said: "We will continue to maintain the plant's safety for the people inside and for the public at large by whatever means are necessary."

Busmen threaten strike over cuts in public spending

BY CHRISTIAN TYLER, LABOUR CORRESPONDENT

BUSMEN in many counties may stop work for a day on April 21 to protest at the loss of jobs and services caused by cuts in public spending...



MR. LARRY SMITH Bus strike threatened

Mr. Smith gave the warning at the launching of a £40,000 TGWU public campaign, to include a lobby of Parliament on April 21, designed to put pressure on the Government to restore the cuts in revenue support grant to counties and in bus replacement grants...

Union steps up pressure to end Times dispute

BY ALAN PIKE, LABOUR STAFF

PRINT UNION leaders yesterday moved to exert their authority and bring about an end to the unofficial strike which has prevented the Times from appearing for four days...

By yesterday the Times had lost 1.5m. copies because of the dispute, over a claim by machine assistants for extra payments which the company says would breach the pay policy...

BEERS INDUSTRIAL CORPORATION LIMITED

(Incorporated in the Republic of South Africa) PROVISIONAL ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 1976 AND NOTICE OF DECLARATION OF DIVIDENDS

The following are condensed abridged versions of the consolidated financial statements for the year ended 31st December 1976, together with the comparative figures for the year ended 31st December 1975.

Table with 2 columns: 1976 and 1975. Rows include Consolidated Income Statement (Revenue, Expenses, Profit) and Consolidated Balance Sheet (Assets, Liabilities, Equity).

Notes: 1. Earnings per share for 1976 are arrived at after allowing for preference dividends and are based on the weighted average of 11,687,500 ordinary shares in issue during the year.

DECLARATION OF DIVIDEND NO. 53 ON THE ORDINARY SHARES: Dividend No. 53 of 32.5 cents per share (1976: 40 cents) being the final dividend for the year ended 31st December 1976, has been declared payable to the holders of ordinary shares registered in the books of the Corporation at the close of business on the 25th March 1977.

DECLARATION OF DIVIDEND NO. 66 ON THE 5 PER CENT PREFERENCE SHARES: Dividend No. 66 of 2.75 per cent, equivalent to 5.5 cents per share in respect of the six months ending 31st March 1977, has been declared payable to the holders of 5.5 per cent preference shares registered in the books of the Corporation at the close of business on 25th March 1977.

DECLARATION OF DIVIDEND NO. 1 ON THE 12.25 PER CENT CUMULATIVE PREFERENCE SHARES: Dividend No. 1 at the rate of 12.25 per cent per annum, equivalent to 8.054795 cents per share in respect of the period 3rd September 1975 to 30th April 1977, both dates inclusive has been declared payable to the holders of cumulative redeemable preference shares registered in the books of the Corporation at the close of business on 25th March 1977.

For and on behalf of the board: H. F. OPPENHEIMER, Directors, A. S. HALL.

Head Office: 36 Stockdale Street, Kimberley, 8301, South Africa. London Secretaries: Anglo American Corporation of South Africa, Limited, 40 Lombard Street, London EC3P 1AJ.

Tractor men seek formula

By Our Labour Staff

EXPLORATORY TALKS were opened yesterday in the hope of finding a settlement to the 11-week-old strike by 1,000 tractor assembly men at Massey-Ferguson in Coventry, where production losses are now estimated at £20m.

Women seek new status in TUC

By Our Labour Staff

RENEWED BIDS to abolish the TUC's annual women's conference were made when it meets for the 47th time next week. Last year the conference decided against abolishing itself after delegates argued that, despite the equal pay and sex discrimination legislation, women still needed 'positive discrimination'.

Peace bid at platform yard

HOPES ROSE yesterday for a settlement to the week-old strike at the Highland Fabricators platform yard at Nigg, after a day of negotiations between union officials and yard management.

Mr. James Milne, general secretary of the Scottish TUC, flew in from Glasgow for the talks. The Government fears that the dispute - over a bonus payment - may lead to the loss of a £40m. follow-up order from Chevron Petroleum and eventual closure of the yard.

Banking figures

(as table 9 in Bank of England Quarterly Bulletin)

Table with columns: 1-Banks, Eligible Liabilities, Overseas banks, Reserve assets, Ratios %, Constitution of total reserve assets, 2-Finance houses. Rows include U.K. banks, London clearing banks, etc.

London Clearing Banks' balances as at February 16, 1977

THE TABLES below provide the first monthly indication of the trends of bank lending and deposits, ahead of the more comprehensive banking and money supply figures published later by the Bank of England. Tables 1, 2 and 3 are prepared by the London clearing banks. Tables 1 and 2 cover the business of their offices and their subsidiaries (excluding Scottish and Northern Ireland banks) in England and Wales, the Channel Islands and the Isle of Man which are listed by the Bank of England as falling within the banking sector. Table 3 covers the parent banks only. In this, it is comparable with the figures produced by the Bank of England, which show the reserve positions of all the banking sectors subject to credit control. Minor differences here arise from the exclusion from the clearing bank figures of Courts, a subsidiary of National Westminster but a clearing bank in its own right.

Table 1: AGGREGATE BALANCES. Table 2: INDIVIDUAL GROUPS OF BANKS' BALANCES. Table 3: CREDIT CONTROL INFORMATION. Rows include Liabilities, Assets, and various bank categories.



BP shares sale not yet decided

BY IYOR OWEN, PARLIAMENTARY STAFF

MINISTERS HAVE yet to reach a final decision on whether part of the Government holding in BP should be sold as a contribution to reducing the public sector borrowing requirement in 1977-78. Mr. Robert Sheldon, Financial Secretary to the Treasury, disclosed in the Commons last night...

Hailsham says Tories would resist any hybridity change

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

THE BILL to nationalise the aircraft and shipbuilding industries finally received a second reading in the Lords yesterday, after a two-hour debate which ended with a further heated row over the issue of hybridity...

Smith approves for est agents

PEOPLE SELLING to be protected, Alec's estate agents quick money, Mr. (L. Rochdale) said...

Mr. Smith said he had every estate agent's disapproval, but he was not concerned about the "No Sale-Introductory" Bill...

Concorde landing rights demand

BY PHILIP RAWSTORNE

MR. JAMES CALLAGHAN said yesterday that he would represent "very strongly" to President Carter the united view of the Commons that Concorde should be allowed to land in New York...

PM indicates prices slow

A SLOWDOWN in material price rise brings new hope...

Mr. Callaghan said he had risen by only last month, compared with a month a year ago...

Ennals plans to publish vaccine evidence

FINANCIAL TIMES REPORTER

THE GOVERNMENT is arranging to publish a review of the evidence gathered by the Joint Committee on Vaccination and Immunisation in its study of whooping-cough vaccines...

Precedent

Lord Hailsham intervened to say that the examiners had found that by any rational criteria, the present Bill was an obvious candidate for hybridity...

Lord Hailsham said that the examiners had found that by any rational criteria, the present Bill was an obvious candidate for hybridity...

NOTICE OF REDEMPTION To the Holders of Aktiebolaget Svensk Exportkredit (Swedish Export Credit Corporation) 9% Notes Due 1982

Table with columns for serial numbers and amounts, listing notes due for redemption.

Written Answers

ENERGY

Mr. J. Grimond (Lib., Orkney and Zetland). Are experiments proceeding with any system of remote control of coal-cutting machinery suitable for mining coal under the sea?

Sproat claims benefit probe delays

CONSERVATIVE MP

Mr. Ian Sproat (Abertawe) returned to the attack on social benefit scroungers yesterday when he claimed that some investigations over alleged abuse were taking up to six months to mount...

Moderates on the move

BY PHILIP RAWSTORNE

identify any of its members except those elected to the group's offices. Once firmly entrenched, the group concentrated its energies on influencing party policy...

POLITICAL SCENE: THE MANIFESTO GROUP

WHAT MUST BE DONE?

the imperative title of the Manifesto Group's policy approach, reflects the confidence with which it now exerts its pressure on the future course of the Labour Party...

Moderates on the move

Mr. Urwin is the chairman of the Industry group; Mr. Robert Cant, Finance and Economic; Mr. Colin Jackson, Foreign Affairs; and Mr. Alan Lee Williams, Defence...

Moderates on the move

identify any of its members except those elected to the group's offices. Once firmly entrenched, the group concentrated its energies on influencing party policy...

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identify any of its members except those elected to the group's offices. Once firmly entrenched, the group concentrated its energies on influencing party policy...



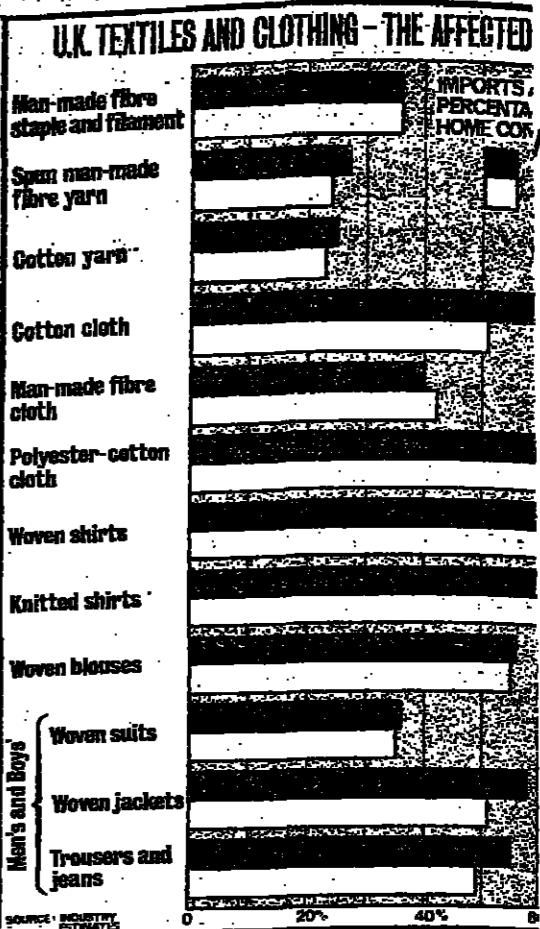
Advertisement for Aktiebolaget Svensk Exportkredit, featuring a large image of a banknote and text about international trade and currency exchange.

Head Office Editorial & Advertisement Offices: BRACKEN HOUSE, CANNON STREET, LONDON EC4A 3DF

Testing talks for European textiles

BY RHYS DAVID

THE BRITISH textile industry has been putting Taiwan, South Korea, and the rest of the Far East under the microscope...



Testing the water

MR JAMES CALLAGHAN, the Prime Minister, is going to Washington for talks with President Carter...

Conservative

There is another sense, however, in which the visit will call for considerable tact...

Economy

It is particularly unfortunate that both issues, Concorde and the Bermuda Agreement...

Record export figures

In addition a number of individual sectors, including knitwear, wool textiles, carpets, and clothing...

Keynote speech

The industry in Europe—with the U.K. taking the initiative—has been pressing this argument...

Industrial realities

There is a danger that the claims of developing countries, well-founded and reasonable as many of them are...

criteria for assessing allowable growth levels. The basic idea—which Mr. Meacher in his Commons statement appeared to be supporting...

Deflection of trade

Other points which Comitextil is known to be pressing on the EEC include better protection against deflection of trade...

Making the case for radical tax reform

THE COMMITTEE appointed by the Institute for Fiscal Studies under Professor J. E. Meade to study direct taxation promises, to judge by its preliminary draft...

Could be scrapped

The advantages of a consistent expenditure tax could be striking. The whole illogical mess of capital gains taxes and close company legislation could be scrapped...

Miss the point

Such a judgement would sadly miss the point, however, the committee's special contribution to the debate promises to be to show how radical reforms can be achieved through relatively modest changes in current practice...

MEN AND MATTERS

Florida bangs the drum

One of the leading representatives of North America's "New South," Governor Reubin Askew of Florida has been in London for the last few days on the first stage of a European tour...

Stray justice

The impressive plainclothes detectives of the Irish Garda looked grim as the eight SAS men who strayed over the border last May were given £100 fines and packed off back to Ulster yesterday.

American south and the fact that Florida, with just over 8m inhabitants, is the fastest growing State in the fastest growing area of the American economy.

SAS defendants against the threat of a provisional IRA assassination bid plus the albums of special aerial photographs produced to back up the maps that at one stage threatened to engulf the well of the court.

Persona non grata

President Jimmy Carter's willingness to speak out on civil rights issues might well prove an advantage to most of the 35 heads of Commonwealth countries who clearly hope that Uganda's President Idi Amin will decide to stay away voluntarily from the Commonwealth Conference in London on June 8.

From cable to college

Archie Willott, who opted for early retirement from his job as managing director of State-owned Cable and Wireless following the row over the Government's refusal to pay the sort of salaries proposed by the Top Salaries Review Committee...

Advertisement for Livingston, Scotland, featuring 'MAKE IT IN LIVINGSTON' and 'GEORGE M. WHILEY D. MAKERS OF HOT STAMPING FO'.

Handwritten note: 'boy 100 150' with a scribble.

FINANCIAL TIMES SURVEY

Wednesday March 9 1977

J.P. ...

QATAR

Qatar has shown less propensity than other Arab oil states to maximise spending just for the sake of it. Its Ruler is firmly in control of the country's purposeful economic development and has established good relations in the region.

community—visited London last summer. Unlike Abu Dhabi or Kuwait, Qatar has not yet chosen to use oil wealth as an active instrument of foreign policy. There is no suggestion yet that Qatar should establish a development fund like the others—the principal Gulf surplus states. The Emir told OPEC last December that Qatar spent 15 per cent of its income in 1976 on foreign assistance. (This compares with Abu Dhabi committing 29 per cent of published oil receipts to foreign assistance). Qatar's assistance is primarily provided in a pan-Arab context—the

frontline Arab States and the PLO—and not on a bilateral basis. Qatar is a participant in the Arab arms industry organisation based in Cairo, along with Saudi Arabia, Kuwait and the Emirates. It is also contributing to the OAPEC dry-dock in Bahrain. Externally, Qatar's principal concern is to ensure good relations with the region's two powerful neighbours—Iran and Saudi Arabia. In terms of geography and religion as well as in family ties, Qatar is closer to Saudi Arabia than any other state. Both perceive the same threat from radical Arab socialism, and both resolutely refuse to entertain relations with any communist country. Their common outlook on religious matters provides an identity of views on moral matters producing a common conservative approach to modernisation and the role of women in society. They also share the characteristic of possessing large ruling families—though in Qatar's case the Al Thani are perhaps double the size of the Al Saud, making them numerically the biggest in the peninsula. (The Qatar telephone directory contains almost three pages on an individual level—that almost one-fifth of Al Thani.) Usually Qatar has taken the lead from Saudi Arabia. But Wahhabism in Qatar is tem-

pered with more pragmatism. The Alcohol is permitted to foreigners through the sale of liquor licences. More important, to the surprise of some, Qatar did not feel obliged to toe the Saudi line at the OPEC meeting in Doha. Qatar refused to support the minority position of Saudi Arabia and the UAE for a 5 per cent oil price increase. As host country Qatar was anxious to go along with the majority, and it also genuinely disagreed with the Saudi argument on the need for a limited increase. Now Qatar is playing a leading role as mediator between the two sides in an effort to harmonise the price level.

Claims
Relations with Iran have not been complicated by Iranian territorial claims as in the case of Bahrain, and because Qatar opted to be independent and not join a larger federation of lower Gulf states in 1971 it was less affected by the Iranian occupation of the islands and Abu Musa. At the same time the Emir has to take account of the sizeable Iranian population, mainly merchants and labourers, who in some cases have been in Qatar for three generations. Though mostly Muslims of the Shia faith, unlike the original population, which belongs to the Sunni sect, the Iranian com-

munity is probably the best integrated of the immigrant ket, believing that the duplication of much development in these states with similar economies is wasteful and harmful in the longer term. So far there has been no concrete progress in this respect except Qatar's own example. Slow to begin spending its oil income, especially after the 1973 oil price rises, Qatar has sought to avoid the unnecessary. The Ministry of Labour issued 16,214 new work permits, of which 384 went to Qataris, a further 1,850 to Arabs and the remainder to a varied assortment of other nationalities.

Increasing
Unofficially the indigenous population is estimated to be increasing by 3 per cent a year and the expatriate community by 5 per cent, with over three-quarters centred in and around Doha. The problem of immigrants is less acute here than in Abu Dhabi, where under 20 per cent of the population is indigenous, because economic development has been taken at a slower pace and the authorities have been more restrictive. But the problem is posed at two levels. First, the Qataris have to decide whether the benefits of developing their economic base further—beyond a sound infrastructure and limited industrial diversification—com-

ponents for the difficulties of having a large immigrant "service" population. Second, a decision has to be taken on those, especially the Iranians, who are more or less assimilated into local society because their families and children were born in Qatar. It is understandable that Qataris should enjoy privileges like free utilities and soft property loans. But sooner or later the restrictive attitude towards the long established immigrants could be self-defeating. For instance immigrant schoolchildren cannot enter vocational training institutes, which are frequently under-utilised because Qataris do not wish to take up professions such as nursing. The Government shows no sign of moving to solve this problem. On the broader question of the extent to which the economy could depend upon imported manpower, the Qataris would prefer limited economic growth, relying instead on the income from invested surpluses. (No more than 75 per cent of total income has ever been spent in one year anyway.)

The other problem which is becoming increasingly acute is that of property. The Emir has made it a policy to provide generous assistance to Qataris to purchase property, but the injection of large-scale Government spending has pushed up prices dramatically, and this effect is now being felt sharply in rents. Last summer the ruler was obliged to close the land registry for a while to halt further property deals. He has also introduced a maximum 20 per cent annual rent increase, but this really only applies to new property and there are plenty of ways of getting round it. The Government, too, is not immune from the effects of property price rises. It is now finding it cheaper to reclaim land from the sea than to purchase existing land. The pro-

posed new university for Qatar—a project dear to the Emir's heart—has twice had its site moved, each time further out of Doha due to problems over property rights and prices. In a western sense Qatar possesses no forum in which to raise or discuss such issues. There are no elections and no institution by which the people can be consulted. Government is very much in the hands of the Ruler. But this does not mean that such issues go unheeded. The Ruler is assisted by an Advisory Council—in addition to the Council of Ministers—which meets every Monday. More important, the system of Government is based upon consensus achieved through accessibility to his subjects, ministers and members of his family. This is the central element that ensures stability in Qatar's society. Lack of accessibility and failure to take account of the need for consensus largely contributed to the deposition of the previous Ruler, Sheikh Ahmad (the present Ruler's cousin) in February, 1972. The latter spent much of his time outside the country and paid little heed to the interests of the all-important land than to pur-

chase existing land. The pro-

BASIC STATISTICS	
Area	4,400 square miles
Population	900,000
Trade (1975)	
Imports	QR1.6bn.
Exports	QR7.0bn.
Imports from U.K.	£55.7m.
Exports to U.K.	£157m.
Trade (1976 to end Nov.)	
Imports from U.K.	£77.9m.
Exports to U.K.	£237m.
Currency: Riyal	£1=QR6.77

QATAR INSURANCE COMPANY S.A.Q.

THE FIRST NATIONAL INSURANCE COMPANY IN QATAR

THE QATAR INSURANCE COMPANY was founded in 1964 with paid-up capital of 1,500,000 Qatar riyals. Nearly 20 per cent of the shares are held by the Government of the State of Qatar and the balance is held by Qatari investors.

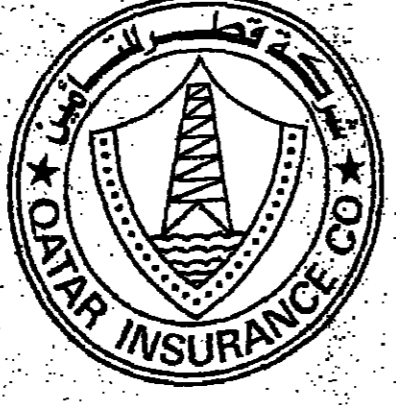
An initial policy of careful consolidation led to a gradual growth in the volume of business. More recently this growth has accelerated in step with the general increase in commercial and industrial activity in Qatar. By 1973 the premium income had reached QR 9,632,393. In 1974 this figure had risen to QR 13,687,763 and in 1975 to QR 25,431,896. When ratified, the accounts for 1976 are expected to show a premium income in excess of QR 50,000,000 and recently the paid-up capital has been increased to QR 3,000,000 by means of a one for one scrip issue. A further issue is planned for the end of this year. Total capital reserves now stand at QR 6,750,000 while investments exceed QR 11,000,000.

The Qatar Insurance Company accepts all classes of non-life business. In the early years, most of the premium income came from marine cargo and motor business. Lately contractors' all risks business has made an increasingly large contribution and following the Government take-over of the oil industry, the Company's Fire Department insures all Qatar's oil and gas assets. Qatar Insurance will also be responsible for the insurance of the new \$125 million contract for the development of the off-shore gas field.

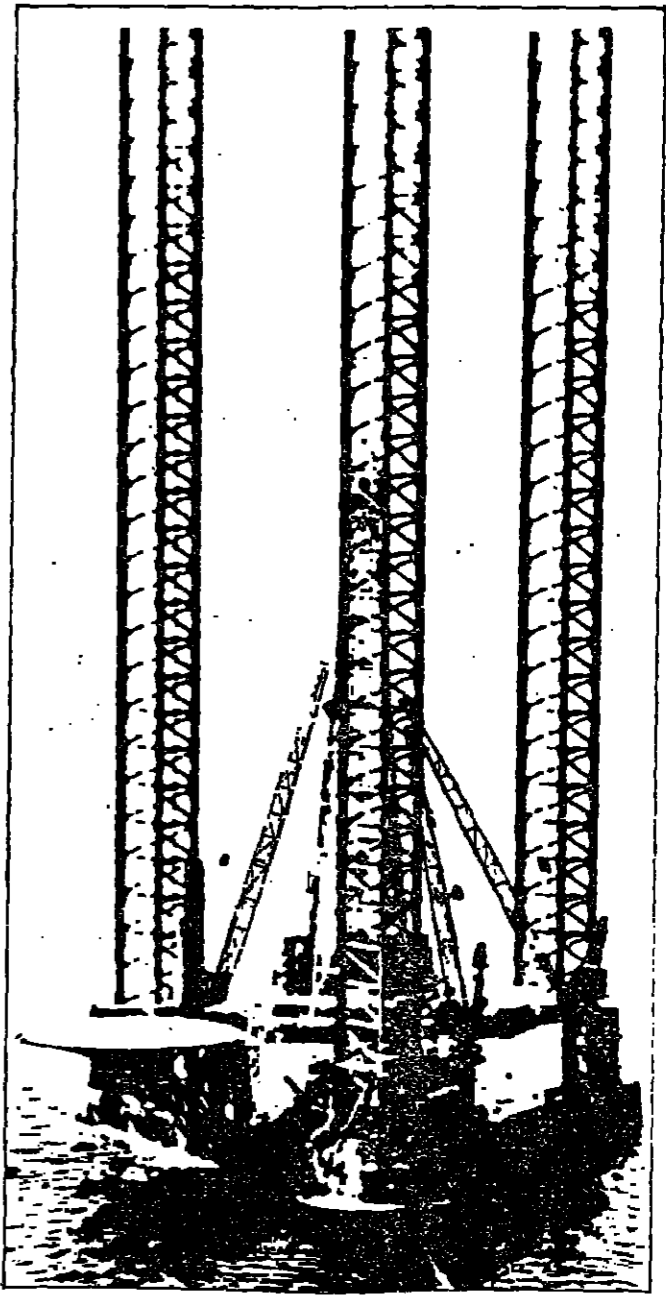
In 1967 the Company opened a branch in Dubai and, in 1976, another in Riyadh which is shortly to be followed by a second Saudi branch in Jeddah. The Company has also participated in the insurance of such major joint ventures as the Arab Maritime Petroleum Transport Company, the United Arab Shipping Company and the dry dock in Bahrain. All these projects are being jointly undertaken by various Arab governments. Qatar Insurance also participated in the insurance of the new Jubail port contract in Saudi Arabia, said to be the largest single insurance cover ever completed.

Qatar Insurance accepts reinsurances, both treaty and facultative, from other Arab companies and from insurance companies throughout the world. It is Company policy to encourage these reciprocal relations so that continued success will not depend solely on the present exciting business atmosphere in Qatar. In addition the Company will be playing its part in fulfilling the Qatar Government's declared aim of diversification to lessen the country's dependence on the oil industry.

Plans are now in hand to move to new offices on Doha's West Bay which is being developed as the capital's future model commercial centre. The Company is also installing a computer to process the constantly increasing volume of business and to provide up-to-date and sophisticated documentation and service.



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 - MOTOR
 - WORKMEN'S COMPENSATION



The Qatar General Petroleum company's drilling rig "Dana" is at present employed in appraisal drilling off-shore Qatar. The rig is insured by the Qatar Insurance Company and this insurance included the 40 day delivery voyage from Singapore.

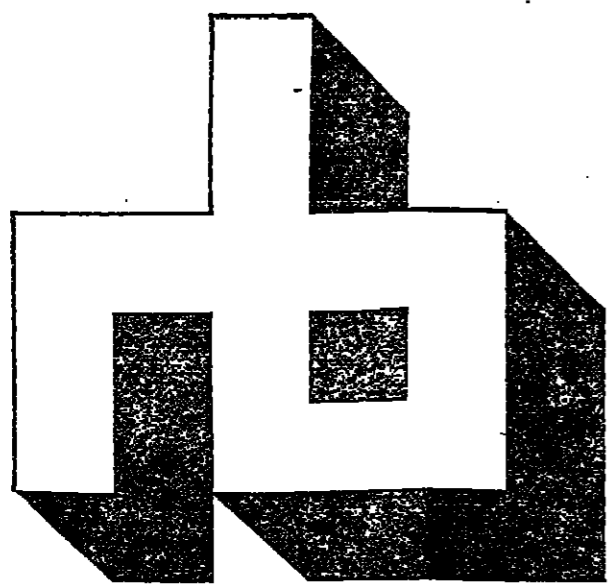
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THE ECONOMY

The prudent approach



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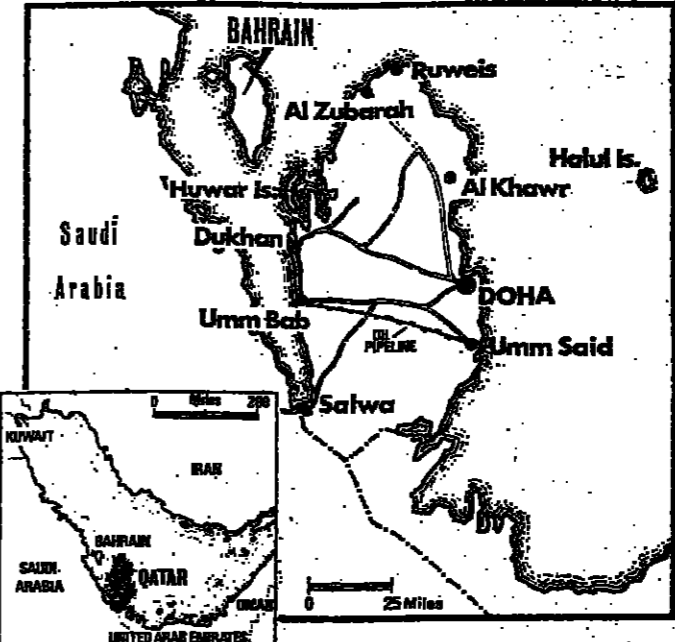
OF ALL THE oil producers in the lower Gulf, Qatar has shown the greatest awareness that oil—the lifeblood for economic development—is a wasting asset. Expenditure of oil revenues has been prudent with a substantial and unpublished surplus tucked away each year. The main thrust of expenditure, especially in the past two years, has been to lay the groundwork for a diversification away from total dependence upon oil. But even this impressive diversification is oil-based and this is the way the economy will be for many years to come.

Qataris increasing by 3 per cent. and non Qataris by 5 per cent. According to a recent manpower study prepared for the government and "organised" private sector was 43,520 last year. The report projected that within five years there would be a shortage of skilled manpower alone of almost 20,000.

will even be free) feeding the onshore oil is included the estimated at around 15 per cent. of the \$1.2bn. budget. Revenue from oil, which accounts for over 97 per cent. of all income—excluding invested surpluses held by the Qatar Investment Board—amounted to \$2.02bn. last year. There are almost certainly hidden items of expenditure. For instance, it is most unlikely that defence, although not a high priority for the Emir, is contained around the \$25m. mark as announced in this year's budget (for the first time). It is known that upwards of \$100m. is being spent on new barracks, a naval base and a new air base. In addition Qatar does provide substantial assistance to its friends, especially the front-line Arab states.

Deliberate

Last year when opening the OPEC meeting in Doha in December, the Emir stated that Qatar's foreign assistance was 20 per cent. of income in 1975 and 15 per cent. in 1976. Observers believe Qatar has a deliberate policy of ensuring that each year the surplus represents a specific percentage of revenue. Increased demands on income last year is thought to explain the drop in the percentage devoted to assistance. If the 15 per cent. figure is taken at face value Qatar disbursed around \$300m. in foreign assistance last year. Observers believe that further substantial sums are disbursed in assistance and gifts within Qatar, especially among the ruling family. Overall Qatar has a guesstimated surplus of around \$500m. It must be stressed that this figure is only approximate and tentative but it gives some indication of the wealth at the State's disposal.



He eschewed moves to attract the burgeoning Gulf service industries such as banking and insurance, leaving this to his neighbours believing that this was something which others could do better. Further it seems Qatar has no wish to import large numbers of expatriates to run such sectors, which they would have to do. No one in Doha has mentioned the idea of offshore banking like Bahrain or setting out to rival Dubai in entrepot trade, or introducing the laissez faire capitalism of Ras Al Khaimah and Sharjah.

Because of the Qataris' innate prudence the impact of the 1973 oil price rise has been absorbed more easily than among its other oil producing neighbours. It has not been in a hurry to spend. Until two years ago Government expenditure—the driving force behind all economic activity—was primarily concentrated on infrastructure. The emphasis was on the expansion of schools, establishment of adequate utilities and on housing, coupled with measures to distribute income among less well known international names well off Qataris. By last year the Government had set aside \$110m. in soft loans for real estate purchase. Assuming a high figure of 45,000 for the indigenous population with access to such loans, this works out at \$25,000 per head (and if this year's allocation is included the figure rises to \$35,000 per head).

Groundwork

These measures fuelled a phenomenal construction boom which in three years has overtaken the civil service as the biggest single sector of employment. They also laid the groundwork for the Emir's longer-term aim of limited industrialisation. This policy is based on two factors. First, the availability of large quantities of gas can be utilised as a cheap source of energy for energy intensive industries—steel and aluminium. Secondly, hydrocarbons can be utilised as feedstock for petrochemicals and fertilisers in addition to such by-products as natural gas liquids. At present there are four main projects based upon these two premises all sited at Umm Said on the coast 45 km. south of Doha.

These projects are the expansion of the existing fertiliser plant belonging to QAFCO (the country's first substantial industrial installation built in 1975); the construction of a petrochemical complex to produce ethylene; an NGL plant and an iron and steel complex with a 400,000-ton capacity. Total investment in these will be \$1.5bn. also claimed that returns from the most questionable of these projects is the steel complex costing \$350m. being built by Kobe Steel. Up to 800,000 tons of ore will have to be imported from Brazil or Australia and labour and management will be over 80 per cent. imported. Economics of the project for Japanese are based upon nominally priced gas (some say it

8 per cent., which offers a means of dispersing surplus oil funds. The same rationale in different degrees lies behind the petrochemical, fertiliser and ngl ventures. In each case the Government has partnered with well known international names who ensure the outlets (C. D. F. Chimie, Norsk, Hydro and Shell). The feedstock is all supplied at nominal cost and the generous tax holidays have been granted.

This said, one wonders how many more fertiliser plants, petrochemical complexes or steel plants Qatar can build. It seems that for the moment the Government has decided to wait until all are operational before embarking on new ventures. The most advanced of these projects is the steel complex due to begin commissioning early next year. The others should be ready by 1979. An indication of Government thinking can be found in the decision to shelve—if not abandon—the idea of an aluminium smelter. Officials point out that all their projects have been undertaken for commercial reasons rather than purely socio-economic ones. And it seems that the decision to withhold the go-ahead on the aluminium smelter stems less from a desire to compete with Bahrain or Dubai (where one of the difficulties encountered by Bahrain's smelter which is only now just breaking even—to say nothing of the difficulties inherent in creating a significant industrial labour force. According to a report prepared for the Council of Ministers last November, the ngl plant is expected to recover its costs within five years. It is also expected to provide an annual income of between \$80m. and \$100m. The same report also claimed that returns from the petrochemical complex projects would be around \$70m. a year. Accelerated investment in these four projects accounts for the increase in this year's budget. Projected expenditure is \$1.7bn. of which roughly 28 per cent. is accounted for by direct investment in industrial ventures, and expenditure on offshore and

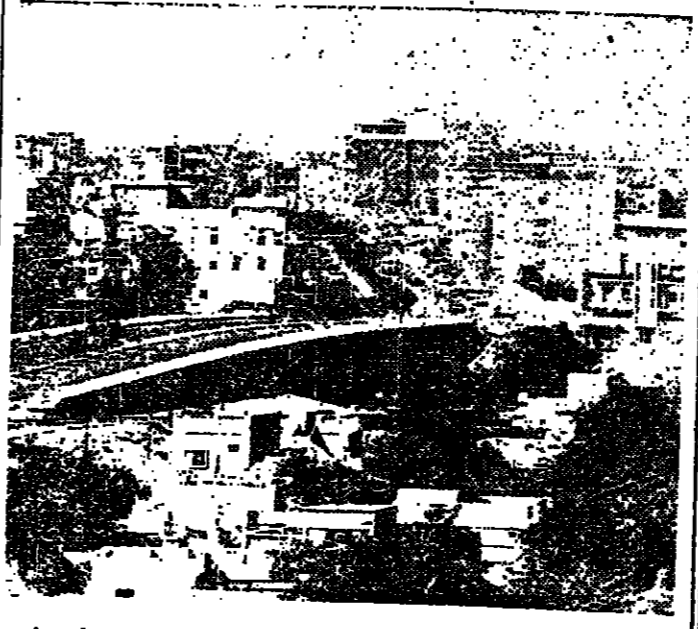
Subsidies

The Government has sought to contain inflation by a wide range of food-subsidies to the tune of \$25m. But one of the prime costs of development, land prices, have sky-rocketed (as have rents). This year almost \$100m. will be spent on land purchase, mainly in Doha, by the Government. It has now become cheaper to reclaim land. The financial side of the economy is shrouded in mystery. Qatar is the most secretive of all the Gulf states in this respect. There are no figures available for the level of actual budget expenditure, no balance of payments figures, no statement of reserves. By general consensus, the Government is managing to spend more and more of the budget. Last year actual expenditure is

Notwithstanding Qatar's more cautious approach, the direct and indirect effects of Government spending have been significant. One yardstick is the increase in import tonnage. The tonnage processed by Doha Port last year jumped from 770,000 to 1.2m. tons. Cement, one of the prime indicators of economic activity, jumped 126 per cent. in volumes imported. The number of cars imported rose by over 80 per cent.; plant and machinery purchases increased 127 per cent. in tonnage terms.

Even though expenditure is increasing and development costs spiralling, Qatar still has a comfortable margin for manoeuvre—providing the government retained its prudent approach. Published oil reserves are 6bn. barrels, roughly the same as Oman or equivalent to one fifth of its neighbour Abu Dhabi. Almost certainly this is a conservative figure, and studies are currently being carried out to determine the true extent of reserves. But the general belief is that production capacity cannot be raised much above the present level and that the prospects of a major new oil discovery are slim to moderate. With this in mind the Qataris feel their policy of putting aside substantial surpluses, rather than spending on a series of prestige and unnecessarily competitive projects, is vindicated.

Robert Graham



A view of Doha, with its first flyover in the foreground.

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	1973	1974	1975	1976
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DEPOSITS	200.6	276.1	472	682
TOTAL ASSETS	310.1	452.2	553.5	1,371

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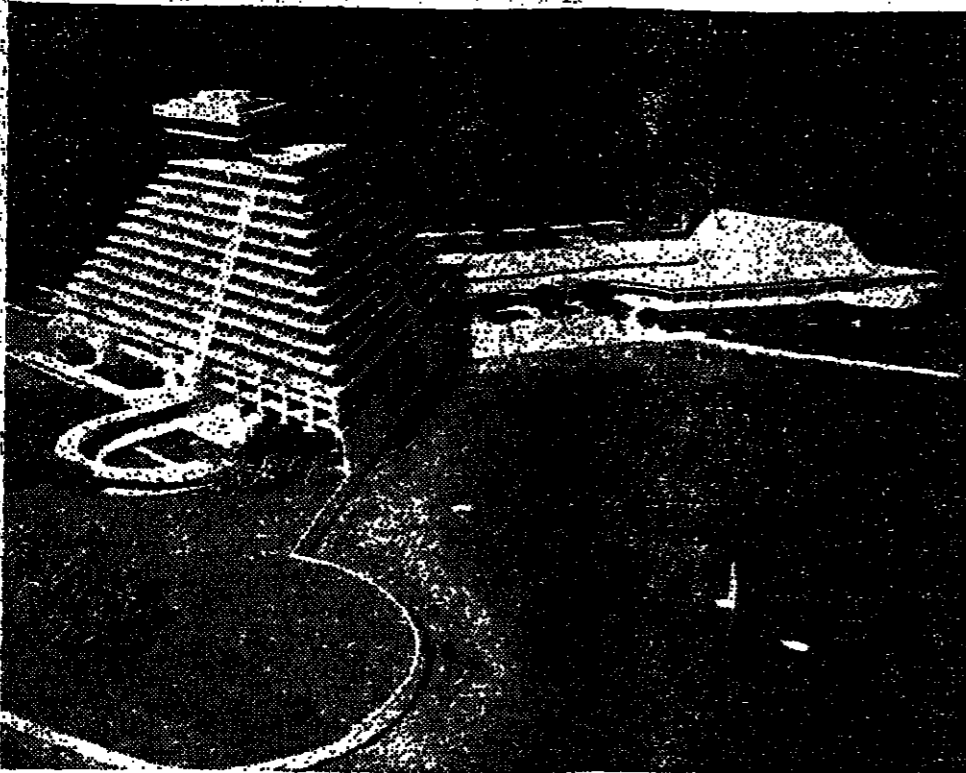
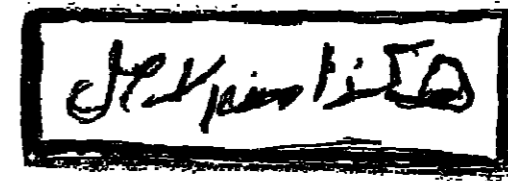
Rock Fall (Middle East) Ltd, drilling contractors & explosives engineers, P.O. Box 3306, Doha, Qatar, Tel: Doha 28950 Telex: 4404

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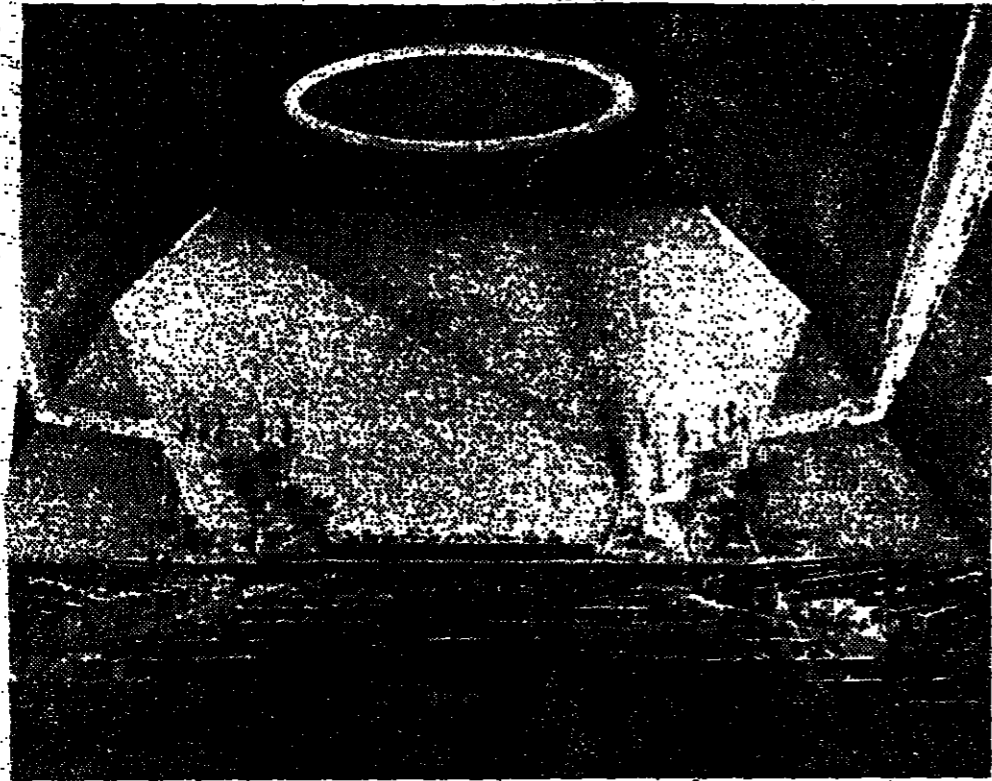
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QATAR



ABOVE: Model of West Bay "pyramid" hotel
BELOW: Artist's impression of conference hall



Focus on Planning

Qatar's population has increased by 50 per cent. since the beginning of this decade and this is reflected in the massive amount of construction going on in various parts of the peninsula. But a quick drive through Doha, the east coast capital, shows that all this activity is not haphazard. The skyline is as yet unspoiled by skyscrapers; much of the new architecture is in good taste; and the lines of traditional architectural styles can be seen either incorporated in modern designs or intact in restored traditional houses. The streets are wide, well-lit and lined with trees. These positive results in fact derive from the implementation of long-term development planning that is leaving as little as possible to chance.

Overall development policy is co-ordinated at the Office of HR the Emir (al-Diwan al-Emiri) in the office of Mr. Hisham Kaddoumi, Technical Adviser to the Emir. Two well-established Western companies are handling major development activities. The British architects and planners Llewellyn-Davies, Weeks, Forester-Walker and Bor are mainly concerned with the implementation of planning and operate in conjunction with the existing municipal authorities in Doha, Khor, Wakrah and Rayyan; and American architects and planners William Pereira Associates are concerned with overall planning—mainly in the West Bay development area and at Umm Said, the country's industrial "capital."

The national concept of planning is based on future growth patterns, social and economic. The population by the end of the century is expected to be around 500,000—mainly centred on Doha and Khor, north of the capital. The country's main natural resources—oil and gas—are located around Dukhan, on the west coast, and off-shore. The Umm Said industrial zone lies south of Doha, on the east coast. Planners are concerned with linking these areas as an integrated whole, backed by an efficient transport and communications network.

WEST BAY

Perhaps the most exciting development scheme being implemented at the moment is in the West Bay area, a large section of reclaimed land at the north end of the wide sweep of corniche on the capital's waterfront. It is already being referred to as "new Doha."

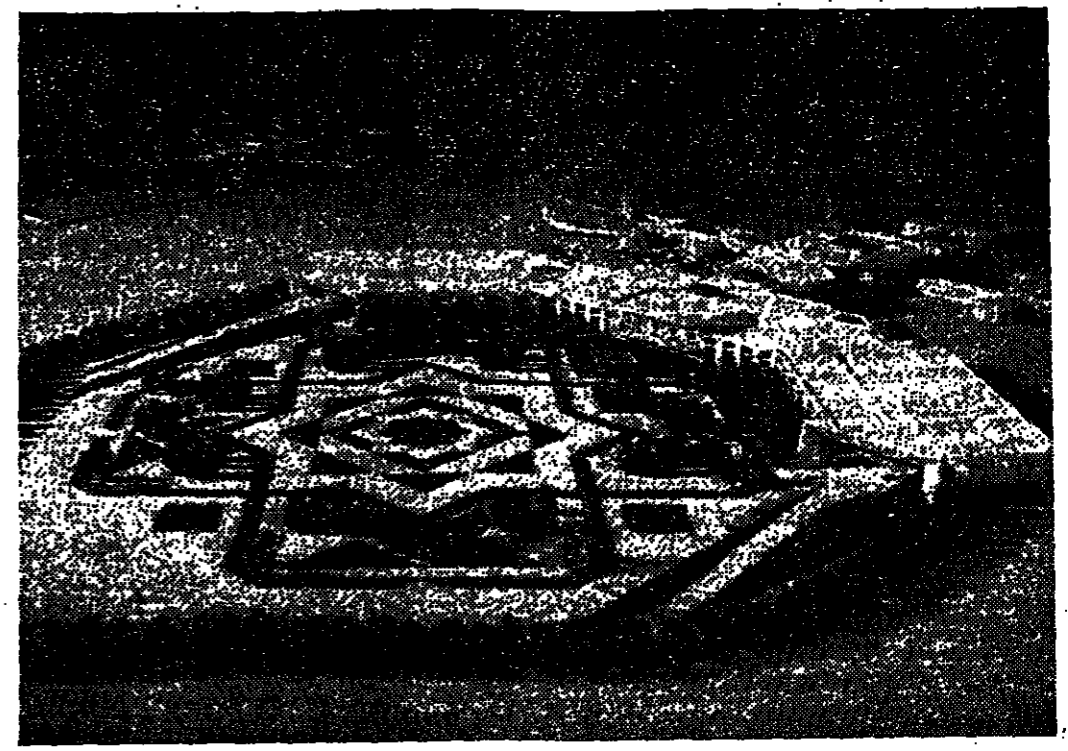
It is estimated that 25 per cent. of the total growth of Doha over the next quarter of a century will be located on the West Bay. So overall design philosophy incorporates Middle East traditions adapted to local social and environmental conditions. A major feature of "new Doha" will be an "activity corridor"—a sort of town centre wandering through the development, crossing major roads and housing blocks, with the result that everyone will be near shops, offices, government services, schools and so on. The corridor will link up with a planned "district centre," where major shopping facilities and prestigious office buildings will be located. Here also will rise, within the next few months, a major hotel-conference complex with a pyramid-like structure and an imposing view of the coast. To the north will be based a number of Arab and Western diplomatic quarters.

New premises for ministries are rising on either side of the Diwan al-Emiri along the waterfront, so that the Diwan will become the centre of operations in a physical as well as governmental sense. The existing Doha ring road network is to be expanded to link the capital to the West Bay area, the site of the projected University of the Lower Gulf, the new airport site, and Umm Said.

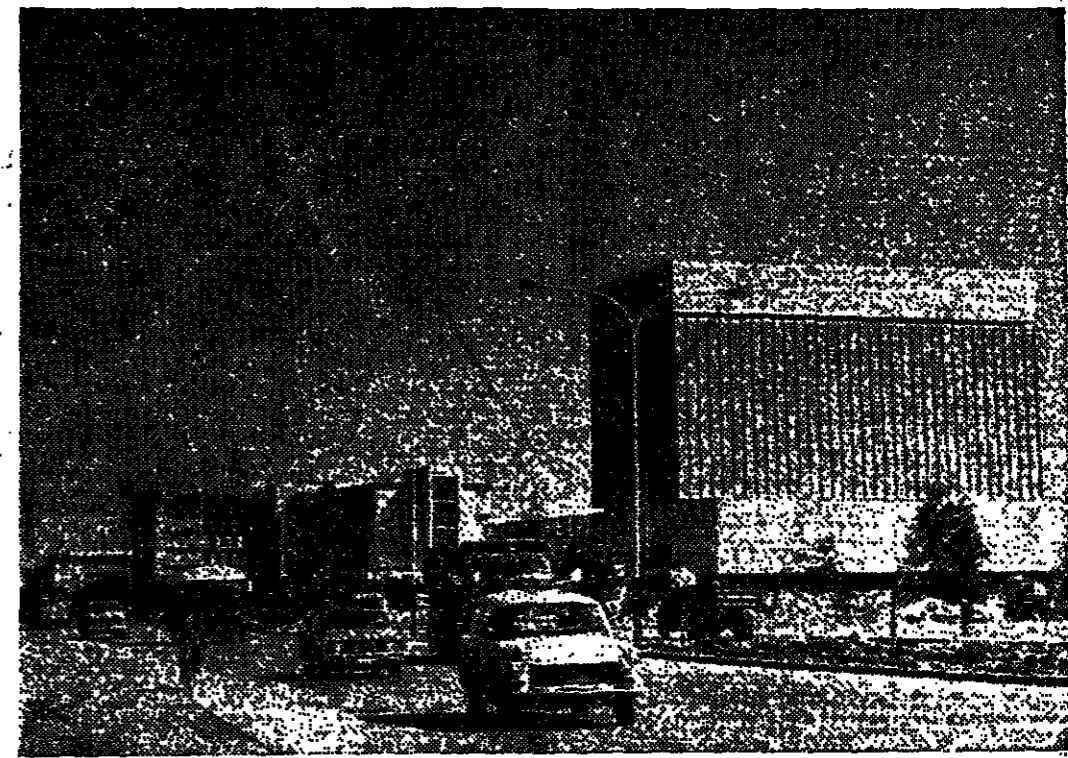
UMM SAID

Another hive of activity can be found at Umm Said, which already groups some of the country's major industrial plants.

The industrial area is located on the seafloor, with the town proper behind. Umm Said's development, which takes into account an eventual population of 15,000, is following the same lines as that of the "new Doha" area. The town will be self-contained, with an "activity corridor" running through.



ABOVE: Scheme for new international airport
BELOW: New public buildings on the corniche



Progress Report

is an independent and Arab state on the Gulf. Its territory occupies a square kilometre—approximately 160 true north for about 80 square kilometres—pro-true north for about 80 square kilometres—pro-

Seasons generally conform with those of the Temperate Zone. Its area and winter weather is relatively cold for the latitude. Humidity is frequently excessive regardless of the season. Rainfall is normally light.

The population is officially estimated at 180,000 inclusive of immigrant communities.

Executive and legislative procedures are controlled by a provisional Constitution promulgated in 1970. A Council of Ministers assists HR the Emir, and an Advisory Council debates legislation prior to promulgation.

Membership of the United Nations and Arab League is contemplated by participation in conferences held by the non-aligned nations. Foreign policy emphasis is on consolidation of relations with developing nations sharing the Islamic faith.

Justice is administered by courts operating both codified and traditional Sharia (Holy Law, non-Muslims are automatically tried by the former.

The official and dominant religion is Islam, and the official language Arabic—although English is much used in official and commercial circles.

Full national control of on-shore and off-shore crude recovery operations has been negotiated with the interim foreign operators, and the Qatar Petroleum Producing Authority (QPPA) now has full responsibility for the State's oil and natural gas interests. Export crude production totalled 22,141m. long tons last year compared with 20,338m. long tons in 1975 and 21,247m. long tons in 1974.

The Qatar General Petroleum Corporation (QGPC), a wholly-owned QPPA subsidiary, is producing gasoline and allied products for the domestic market from a QR 45m. refinery completed in 1975. The most recent ministerial conference of the Organisation of Petroleum Exporting Countries (OPEC) was held in Doha, and Qatar's Minister of Finance and Petroleum, HE Sheikh Abdulaziz bin Khalifa al-Thani, is OPEC's current president.

The Qatar Gas Company (QGC) is conducting feasibility studies covering production from what might prove to be the world's most prolific unassociated gas field off the north-west coast; processing by a liquefied natural gas (LNG) plant is envisaged for 1981 at the initial rate of 1,200m. cubic feet daily. Meanwhile, QR 280m. has been allocated to another major project (estimated total cost: QR 1,400m.) involving the recovery and processing of associated off-shore gas now



THE EMIR OF QATAR
HH Sheikh Khalifa bin Hamad al-Thani

being flared at production plant-an Umm Said integrated iron/steel complex (total estimated cost: also QR 1,500m.) scheduled to begin producing early next year at the rate of 400,000 tons a year. QR 365m. more has been earmarked for work on QR 2,100m. petrochemicals plant due for completion (also at Umm Said) in 1979; surplus natural gas will be used to produce 300,000 tons of ethylene a year, mainly for transformation into light and heavy polyethenes necessary for the manufacture of plastic items. At Umm Bab, expansion work on the existing Umm Said fertilizers plant, aimed at doubling output (ammonia to 1,800 tons daily, urea to 2,000 tons daily) by the end of 1978.

QR 250m. has been allocated for operations this year against an estimated total expenditure of QR 1,500m. Another QR 825m. work on the projected University of the Lower Gulf, due for completion within five years at an estimated cost of QR 740m., are among projects covered by the current QR 895m. educational budget. The school population now totals over 31,000, about half of it female, and 100 per cent. attendance by children of primary school age is officially foreseen within the context of the Government's long-term aim of free compulsory education for both sexes at all levels.

The State continues to implement its traditional policy of free medical and hospital services for all residents of the peninsula, Qatari and non-Qatari. The total cost of projects in hand—including completion of a QR 160m. 660-bed general acute hospital, expansion of the existing Rumailah General Hospital and maternity facilities, and provision of health centres in Doha and the interior—has been estimated at QR 391m.

Purpose-built estate-form housing and home-ownership loan schemes operate for the benefit of low-income and better-off families respectively. Over 1,500 low-cost units have already been allocated to the former category, the majority free of all charges, and QR 80m. has been allocated for the provision of 600 more this year.

Work continues on the QR 1,336m. Ras Abu Fontas power/desalination complex; first phase operations (100MW and 10m. gallons daily) are imminent. QR 400m. has been allocated to this project in 1977—together with QR 340m. for expansion of the peninsula's electricity grid, QR 87m. for town lighting schemes, QR 142m. for water pipeline and storage works, and QR 50m. for additions to existing desalination facilities.

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COMMERCE: Overall imports totalled QR 1,360m. in value for representing a dramatic increase of QR 595m. over the same period in 1975. The full 1975 value, QR 1,610m., was approximately 60 per cent. higher than the 1974 figure (QR 1,069m.). Four countries, out of 63 accounted for 58.22 per cent. of the 1975 trade: the U.K. (QR 342m.: 21.27 per cent.), Japan (QR 242m.: 15.05 per cent.), the U.S. (QR 202m.: 12.53 per cent.) and West Germany (QR 151m.: 9.37 per cent.). All four countries increased the value of their sales in comparison with the previous year. High value markets included electrical equipment and apparatus (QR 302m.), machinery and mechanical spares (QR 281m.), transportation equipment, mainly vehicles (QR 254m.), steel (QR 123m.) and textiles, clothing and footwear (QR 103m.). Non-petroleum exports and re-exports totalled QR 201m. in value, with urea fertilizer (QR 135m.) and hydrous liquid ammonia (QR 17m.) representing the most lucrative trade by far.

AVIATION: Design-consultants have been selected for a project to replace the existing Doha International Airport; QR 46m. has been allocated for preliminary work. The State's national carrier, Gulf Air—owned equally with Bahrain, Abu Dhabi and Oman—has taken delivery of four extended-range Tristars and ordered five Boeing 737s as short-haul replacements for BAC 1-11s.

SHIPPING: QR 63.5m. has been allocated to increasing the capacity of Doha's man-made port from four deep-water berths to nine, port projects at Umm Said, and coastal dredging. Another QR 305m. will cover the State's participation in various pan-Arab shipping and dry dock schemes.

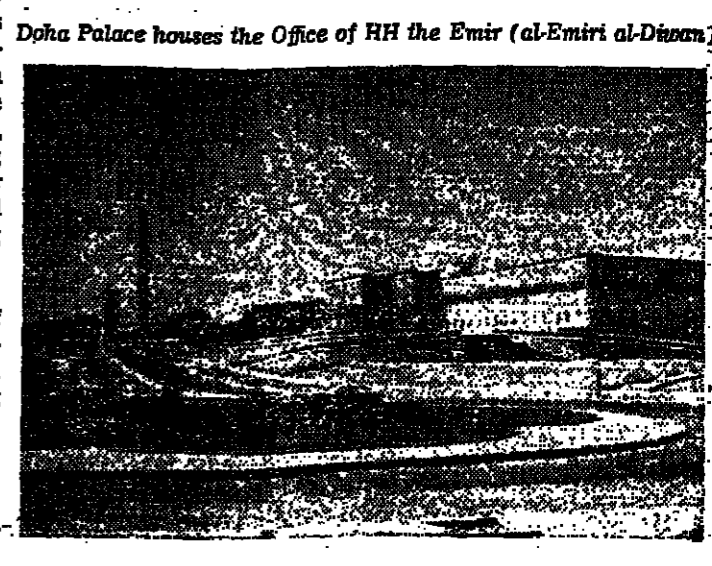
TELECOMMUNICATIONS: Plans to increase telephone connections to 28,400 before the end of 1978 will result in expenditure of QR 71.6m. A QR 20m. earth station beams on the internationally-owned Indian Ocean satellite to provide the State with a multi-hop facility covering and parts of North Africa and the world.

BROADCASTING: A 750 kW mif transmitter covering the whole of the Middle East and parts of North Africa and the world.

POWER/WATER: Work continues on the QR 1,336m. Ras Abu Fontas power/desalination complex; first phase operations (100MW and 10m. gallons daily) are imminent. QR 400m. has been allocated to this project in 1977—together with QR 340m. for expansion of the peninsula's electricity grid, QR 87m. for town lighting schemes, QR 142m. for water pipeline and storage works, and QR 50m. for additions to existing desalination facilities.

AGRICULTURE: Production of vegetables and fruit continues to increase, and poultry, dairy farming and sheep rearing projects are claiming increasingly higher shares of local consumption.

FINANCE: The national bud-



S KALIS
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QATAR

Natural gas liquefaction plant at Umm Said

OIL

QATA

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THE PAST fortnight has seen Qatar become the latest Middle Eastern State to achieve total control of its oil production operations. In September last year it negotiated the acquisition of the remaining 40 per cent of onshore operations held by the Qatar Petroleum Company, owned by BP, Shell, CFP, Mobil, Exxon and the Gulf Petroleum interests, Parlex. On February 9 an agreement was signed under which the State took the final 40 per cent of the offshore operation owned by Shell—after a more complex and apparently tougher series of negotiations which led one of the Government team last week to say that Shell had become harder even than Texaco.

The present organisation of the Qatar oil industry, therefore, is that the Ministry of Finance and Petroleum is responsible for policy, the Department of Petroleum Affairs is responsible for the development of the Qatar oil industry through monitoring the economic and technical aspects of the business, and the Qatar

General Petroleum Corporation (the national oil company) supervises the operations of the oil industry in Qatar and holds the State share in all oil, gas and petrochemical ventures inside and outside the country. In the purely oil sector these ventures are the National Oil Distribution Company and the Qatar Petroleum Producing Authority, which operates through two arms—QPPA, Onshore Operations and QPPA Offshore Operations.

The distribution company, NODCO, holds the monopoly for sales of oil products, which are subsidised by the Government, and owns and operates the small refinery, originally built by QPC, at Umm Said. This refinery, with a designed capacity of 6,000 barrels a day, is run entirely by Arabs—Palestinians, Egyptians and Qataris—who have managed to boost throughput to 9,000 b/d. The balance of local consumption is now imported from Shell's depot in Dubai, and will continue to be so until a new refinery has been built with a capacity of 50,000 b/d—a figure which it is estimated will be equal to Qatar's demand in 1990. Meanwhile in the 1980s Qatar will have a small exportable surplus of oil products.

The other QGPC oil subsidiary, Qatar Petroleum Producing Authority, is responsible for all operations from the wellhead to the loading terminal, plus the natural gas liquids (NGL) plant, and exploration—the actual drilling being carried out by contractors, currently including Santa Fe and SEDCO, employed directly by QGPC.

The 1977 QPPA budget for both investment and operating costs runs to some \$220m, a figure which excludes \$70m set aside for investment during the current year in a second NGL plant and \$6m allocated towards the day to day running of both the Onshore and Offshore branches of QPPA. It is done by personnel seconded by two foreign concerns—the Dukhan Service Company owned by the Iraq Petroleum Company group and the Qatar Shell Service Company owned by Shell.

Compared with Kuwait, whose present structure and ownership

of the oil industry appears at first sight most to resemble the situation in Qatar, the degree of foreign company involvement in Qatar remains considerable and is reflected in the takeover terms. Whereas in Kuwait BP and Gulf, who provide the Kuwaitis with only a few of their own staff on a secondment basis, receive a 15 cents per barrel discount only on the crude that they themselves buy, in Qatar Shell and the Iraq Petroleum owners get 15 cents per barrel on all production. This applies to exports of natural gas liquids as well as to oil.

Shell furthermore is to be paid an unspecified lump sum bonus as a condition of its undertaking further exploration (or gas) for QGPC on a contractor basis—though this condition does not apply to the former onshore concessionaire, which handed over to the State last year an area that had been so much reduced by relinquishments over 30 years that it covered little more than the Dukhan field itself. Shell's area in contrast was 12,000 sq. km, representing over a third of its original concession which had covered all of Qatar's offshore acreage.

There have been no spot sales or auctions.

According to the terms of the new purchase contracts, whether signed with former concessionaires or independent companies may vary the volume of their liftings by not more than plus or minus 15 per cent month by month, and at the end of each three-month period a re-opener clause provides an opportunity for renegotiation. Within this period it is possible to imagine the companies ridding their liftings on the grounds of inappropriate price differentials, should they feel after an OPEC meeting that the price rise notified to them by the Ministry of Petroleum was putting Qatari crudes out of line with the Saudi Arabian market crude price. In all purchase contracts there are of course provisions for price changes as a result of OPEC decisions— even if the Organisation may not be mentioned by name.

In practice a serious differential gap has already arisen as a result of the split which occurred in OPEC at its last meeting. At present Qatar crude is selling at \$13.00 offshore and \$13.19 onshore, these prices representing increases of rather more than 10 per cent over the levels obtaining last year because of a minor adjustment made to reflect gravity differentials at the time the price rise came into effect on January 1. (An incidental consequence of the last price increase has been to raise the reproduction fee paid to the OPEC members and Shell from 15 cents to 16.5 cents—there being escalation clauses built into the take-over contracts— even though for the sake of not causing confusion or implying that the fee negotiated by Shell is different from the fee agreed by QPC, references to the recent Shell take-over in Qatar still invariably use the 15-cent figure.)

Yet, although Qatar crude is now selling at rather more than half a dollar above what its price would be had the link with the Arabian market been maintained, there has not been any important drop in production this year. Over 1976 output ran at an average rate of 489,000 b/d (with an extra 200,000 b/d if one takes account of the new Bundaq field on the Qatar-Abu Dhabi offshore boundary which Abu Dhabi Marine Areas bought on stream last year), though during December production went considerably above this level—partly in response to the normal seasonal upturn and partly as a result of the companies wanting to beat the anticipated price rise. In January this year production slipped back to 403,000 b/d— though this drop is not too big to be accounted for by a normal reaction to the especially big liftings in December. For 1977 as a whole the Government is aiming at a production target of about 475,000 b/d, excluding Qatar's share of whatever is produced from Bundaq.



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Balance

Compensation terms for the two companies were very much in line with arrangements elsewhere. For the final 40 per cent of assets Shell was paid \$14m and QPC \$13m—both figures being calculated on the basis of net book value.

Under the new liftings arrangements the QPC owners are taking 130,000 b/d and Shell 145,000 b/d, while the balance of production is to be sold under long-term contract to third parties who are currently negotiating with QGPC and whose names are expected to be announced later this month. Since Qatar acquired its 60 per cent stakes in its former concessionaires in early 1974, all the State's share of output not sold back to QPC and Shell, amounting to some 140,000 b/d, has been sold to Amerasia Hess, the Charter Company and Union Kraft.

GAS

The new resource

THE QATAR Government now knows that its chances of significantly increasing the volume of its oil production are small, so far for the future expansion of revenues it is looking to gas, both as an export in itself and as a feedstock and fuel for export-orientated process plant industries.

The State has long been aware that it has quite large resources of associated gas (gas found with oil) in its four oilfields—even if it has only recently begun exploiting large amounts of this gas onshore, and is still flaring all its offshore production. What is now changing the picture dramatically is the discovery of unassociated gas (gas on its own) reserves at north-west through the whole length of the Qatar peninsula. Qatar's oil, both onshore and offshore, is located in Upper Jurassic limestone strata, and unassociated gas lies in Permian Khuff strata at over 10,000 feet. This appears to be the pattern with unassociated gas fields in the Gulf as a whole—the new prospects for deep gas are prompting the Kuwaitis to drill a well to 20,000 feet.

North West Dome or NWD), and it has been established that the field covers some 700 square miles—a much bigger area than any of the Qatar oilfields. Accurate estimates of reserves are obviously impossible—four holes in 700 square miles is not very many—but North West Dome is clearly going to prove one of the three or four biggest fields in the world, in the same class as Holland's Groningen, if not quite comparable with Algeria's Hassi R Mel.

Impressive as NWD is in itself, it raises the tantalising possibility of there being more gas fields to the south-west. A formation known unofficially as the Qatar arch runs roughly north-south through the whole length of the Qatar peninsula and then a little before the top of the peninsula, curves gently to the north-east and runs out to the offshore boundary. The NWD field is at the top end of this arch, and there is no particular reason why there should not be other gas fields lower down. Wells drilled so far into the onshore part of this formation have all been looking for oil and have not gone down to the Khuff strata. The Qatar General Petroleum Corporation has therefore commissioned a seismic survey of the formation by the German company, Frakia, and depending on its results the Government will decide whether to lease the now vacant onshore areas on production sharing arrangements.


Leaving aside speculation about reserves in the Qatar arch area, for immediate practical purposes the Qata Government's attention in planning its gas utilisation is focused on four gas sources—associated gas from Dukhan, unassociated gas from Dukhan, associated gas from the offshore fields and unassociated gas from NWD. (The unassociated gas reserves below the offshore oil fields are at too early a stage of appraisal for there to have been much thinking on their use—and because they are known to be small there is little urgency attached to planning their development.) The associated gas from the Dukhan oil field is mostly already

Underneath

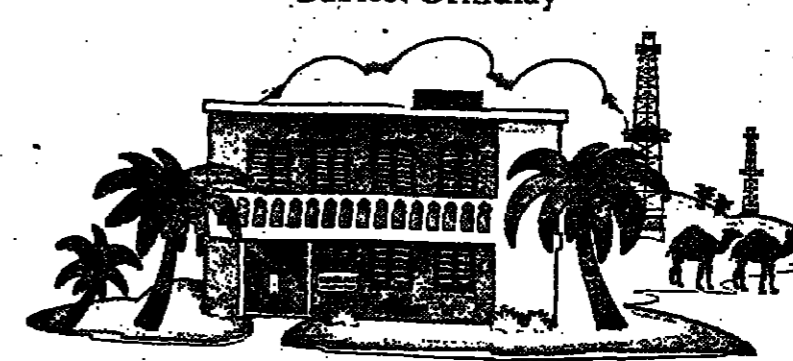
Some of the unassociated gas in Qatar lies underneath the existing oilfields. Beneath the three offshore fields reserves of deep gas are known to be small even though only the most preliminary exploration—one well in each structure—has so far been carried out. With the onshore Dukhan field, reserves are known to be much bigger—but with only four wells completed and two being drilled it is still impossible to give any precise figures for reserves.

The really spectacular unassociated gas discovery, however, has been made by Shell (at the time of its strike a concessionaire, but now a contractor) in a structure entirely separate from any oilfield, located in the north-western part of its own acreage some 40 miles north-east of the tip of the Qatar peninsula. To date four wells, each at least 20 miles from its neighbour, have been drilled into this structure (still unnamed and known as Dukhan oil field is mostly already

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PETROCHEMICALS

QATAR V

Taking the right decisions

When petrochemicals in the Middle East are produced, scaled down or not produced at all—Qatar has the right to decide.

Qatar has the right to decide whether to produce petrochemicals in the Middle East or not. The decision is not an easy one to make, but it is a decision that must be made.

ue

the dry residue gas stripping plant which produces 900 tonnes/month—300 tonnes in liquid form, and 600 tonnes of urea.

Qatar has never had a plant of this size. In 1974, it had a plant of 210 tonnes/day.

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performed none of the market problems which originally affected the Saudis. Safco fertiliser plant, all of the QAFCO output being sold by Norsk Hydro through its marketing branch in Hong Kong, to Asia and East Africa.

Later this year it is also intended that work should start on Qatar's petrochemicals plant; the contract for its construction is due to be signed in the near future.

QAFCO will be owned partly by the Umm Said, and like QAFCO it will be owned partly by the company which will be responsible for its operation—CDF.

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produce 280,000 tonnes of ethylene (a "first generation" petrochemical which is gaseous at normal temperatures and can be liquefied at 104 deg. Centigrade), and from the ethylene it will produce 140,000 tonnes/year of low-density polyethylene (LDPE—a second generation petrochemical and a solid) and 130,000 tonnes/year of a product which as yet is unspecified but according to the terms of the CDF Chemie-QGPC agreement must be decided on within one year.

Uncertainty

In addition to the obvious uncertainty as to QAFCO's eventual output, there must also be some question as to the economics of the project.

There are many areas where costs will undoubtedly be higher than in Europe and America, and others where they will certainly be no cheaper.

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goods used in the normal course of operations cost more, while ordinary maintenance work and the repair of breakdowns will take longer simply because the plant will not be operating within a Western technological environment where expertise and materials can be drawn on from close at hand.

Because they are so few in number, really able nationals and other Arab or Indian immigrants in the Arabian peninsula countries are able to be fairly selective in the jobs they take and once employed do not feel much of a cold draught of competition from other employees.

The consequence of this situation, and of the need to employ large numbers of door-men and tea boys, etc., is that although a petrochemical plant in the Gulf will require for its operation at a technical level the same number of men (mostly Europeans) that it would require in the West, its need for maintenance staff will increase from, say, 250 in Europe to 300 in the Middle East, and its requirements for "administrative" staff will increase from 100 to 150.

QAFCO, perhaps, will be luckier with its staff than other plants because some of its employees will be being trained at the Compagnie Petrochimique du Nord "Copenor" at Dunkirk, owned 60 per cent. by CDF Chemie and 40 per cent. by QGPC. Except in a financial and training sense this plant is totally unrelated to QAFCO.

Economic

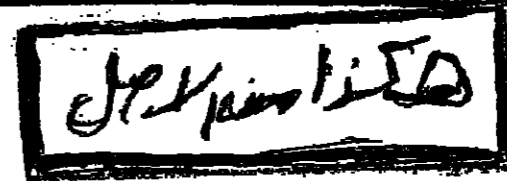
The only thing that makes QAFCO an economic proposition is that it will be getting its ethane-rich gas feedstock for nothing—compared with the (very low) cost price at which residue gas is supplied to QAFCO.

There is, of course, a school of thought in Qatar, as elsewhere in the Gulf, which is arguing against heavy industrial plants being subsidised in this way, and is suggesting instead that QAFCO and plants like it should pay for their feedstock at the market price.

The conclusion to be drawn from this is that ethane might as well be supplied to petrochemical plants free—because the only alternative is to flare it. From the Government's point of view, therefore, the question is not whether a petrochemical plant constitutes the best use of ethane rich gas, but whether it constitutes the best use of the funds and manpower it has available.

In QAFCO's case the Government can probably draw confidence in its having taken the right decision from the geographical location of Qatar. The corollary of QAFCO's being far from a technological environment is that it is also far from other petrochemical plants (except that being built in Iraq).

In the long run this should enable the plant's output to be marketed more easily—as long as other Middle Eastern petrochemical plants are not constructed in the interim. It is true that at present there are few plants anywhere near the Gulf which can manufacture polyethylene into useful articles, but the more sophisticated countries in the region, which happen to be those with the bigger domestic markets could build such plants relatively easily and quickly.



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QATAR VII

LIFE FROM THE SEA

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Coming to grips with labour

OF manpower is contractor and put through job most important aptitude tests. The contractor then submits a list of names to the Ministry of the Interior for approval. The Interior Ministry can then take anything up to three months to approve the names. On arrival the worker has his passport taken by the employer who under a one-year contract has undertaken (normally) to provide food and accommodation. The demand for labour is such that it is not uncommon for 35 per cent of the workforce recruited to "disappear" within the first two months. In the case of some local contractors this is due to poor conditions. But normally it is because better-paid work has been found elsewhere (though in theory no one can employ an immigrant without permission from his original sponsor) the minimum daily wage is \$8. The fact that the original employer holds his passport is no deterrent when a worker wants to leave because he can ask for it back—and the punishment is deportation, with the occasional spell in prison first.

Meaningless

Thus at the unskilled and semi-skilled level there are two main problems. Employers cannot guarantee that the labour they import will remain—and in return that the Ministry of the Interior will grant extra permits to replace the labour that "disappears." Secondly, contractors who relied upon having a workforce of say 300 men on a specific date frequently find themselves "behind schedule" because of lengthy delays in Government processing of work permits. The manpower shortage is more keenly felt at the "white collar" level where greater emphasis is placed upon employment of Qataris. Of 13,936 job opportunities available in Government departments last year, 5,868 were unfilled, largely because of this reason. With growing labour requirements and a continuing shortage in local supply, the Emir last year instituted a special 2 per cent of the active labour force. These projections, calculated on a current school enrolment of 30,299, reveal a shortfall of almost 20,000 persons in skilled jobs alone within five years—and this does not take into account the demands made on the labour market by the defence and security forces.

The Commission has come up with some challenging remedies. Its first suggestion is that civil service and Government employment be streamlined. It acknowledged that there is a good deal of redundant employment with Government departments. Further, it notes that "quite a few of the national employees who are shown in the department cadres are, in fact, working outside the concerned departments for various reasons." As a rider the report adds "the present system of nomination of employees of certain nationality by the Civil Affairs Department is partly responsible for the present underutilisation of existing manpower in some departments. This system is not always able to ensure that the employees so nominated are capable of meeting the requirements of the jobs to be performed." with this in mind the Commission suggests streamlining could lop 10 per cent off the civil service, adding 800 Qataris to posts in more productive employment. Put another way, by pruning the civil service, 8 per cent of additional manpower needs could be met.

Second
A second suggestion is that the government begin to tap the female labour force. Female education is expanding fast and girls now account for almost 47 per cent of total school enrolment. But female employment is disproportionately small to the number educated. The Commission recognises the enormous problems in a very conservative society of pushing the issue too hard. Nevertheless it says "it is perhaps necessary to bring this issue to the front so that a beginning can be made as early as possible."

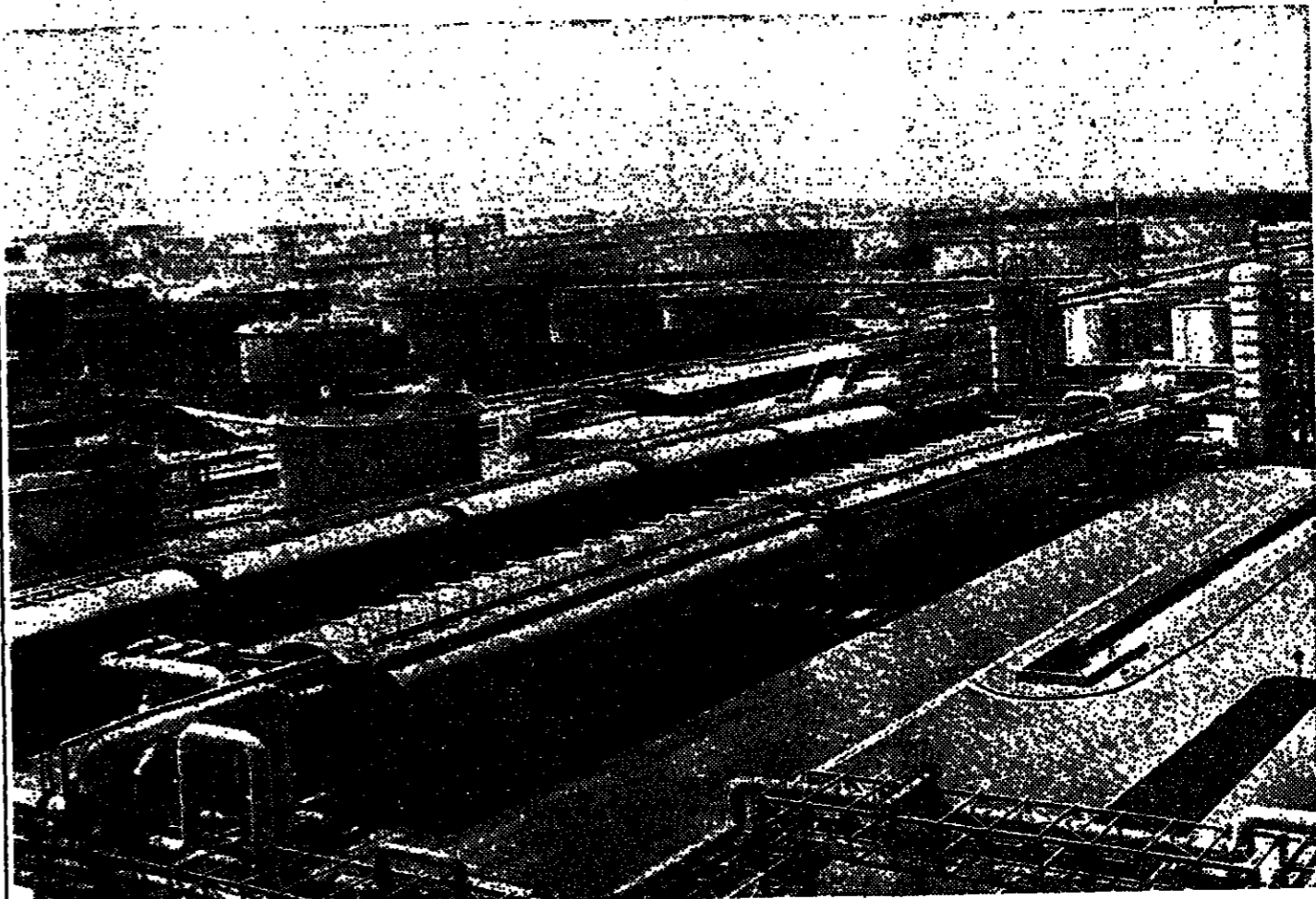
A third suggestion which is perhaps more radical is that non-Qataris be allowed training facilities. The report defines non-Qataris as those children of expatriates who have been resident in Qatar for many years, and who—given normal circumstances—will remain in the country. (This is mainly the group of Iranians who in most respects have been assimilated.) These non-Qatari children form about 30 per cent of total school enrolment. Until now they have been excluded from the regional training centre (a vocational training institute) and from the public health training institute for training nurses and health inspectors. These restrictions on utilisation of local training facilities means that the facilities themselves are underutilised. In the case of nursing courses the facilities are reckoned to be only 50 per cent used. The report notes "it would be reasonable to propose that, in order to augment manpower supply within Qatar, the surplus training facilities could be made use of by considering the admission of the available non-Qataris resident in Qatar."

Regulation is becoming increasingly important in view of the fact that several foreign companies opening large-scale operations stipulate, as a condition of the contract, that they can import their own labour. It will also help to eliminate the problem of exploitation and harmonise relations with the labour exporting countries. Already the Ministry of Education has established a series of bilateral agreements with selected countries and international organisations on recruitment. The Commission recommends that this system be extended. Further, to obtain maximum value, it urges the Government to "intervene more positively" in the recruitment stage.

To reinforce this, the report recommends the establishment of a manpower planning and training Board to co-ordinate training, employment and better utilisation of existing manpower. It would make ongoing assessments of manpower needs. This Board in turn would be backed up by a permanent secretariat to act as administrator, research centre and co-ordinator on a daily basis.

It is premature to assess the impact of these recommendations. Those who know Qatar well claim that for such a document to have been compiled at all is a major achievement. Traditionally such issues have been buried. Now there is a basis for discussion. For the first time there is also concrete evidence of the need to come to grips with the problem.

R.G.



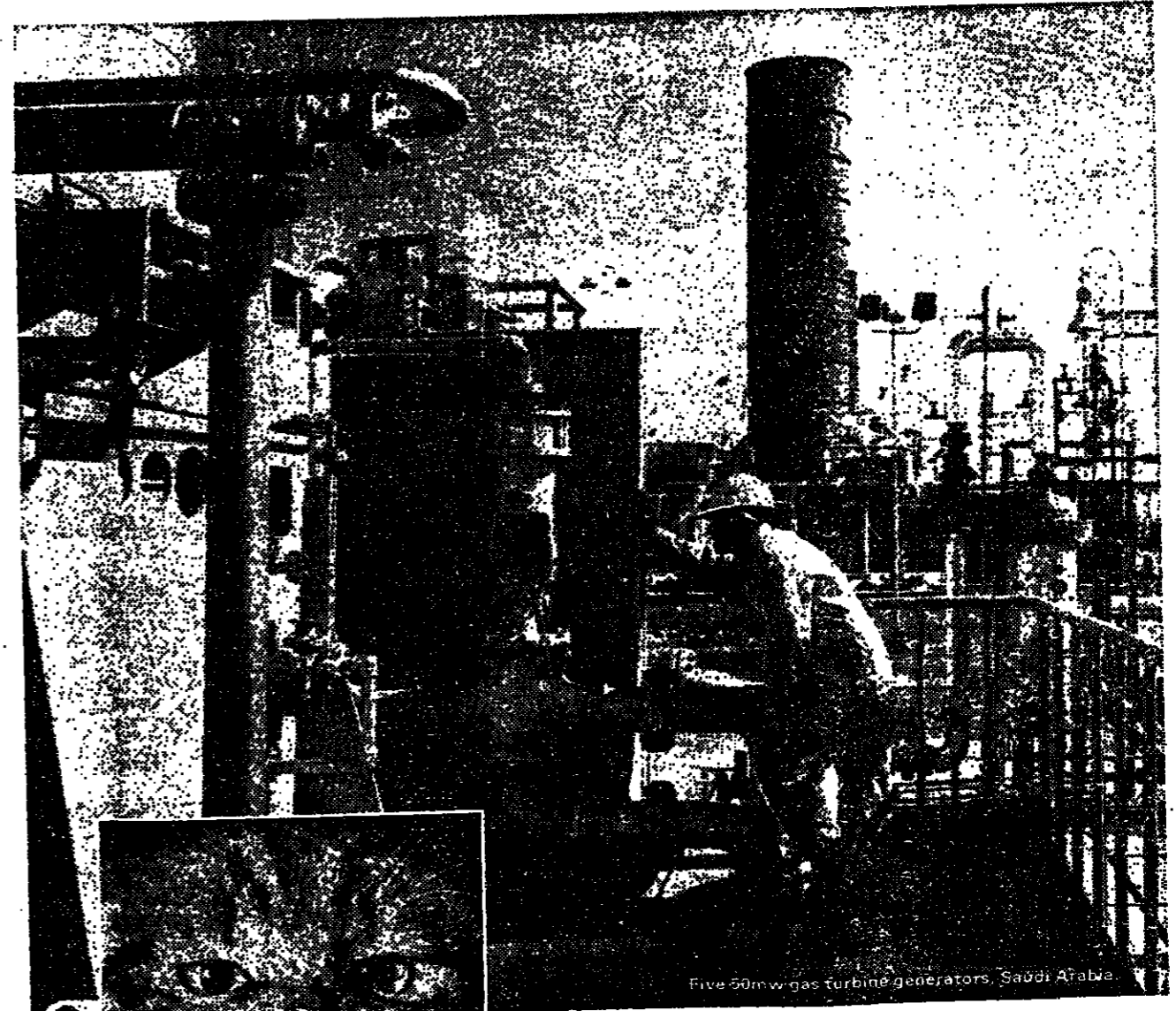
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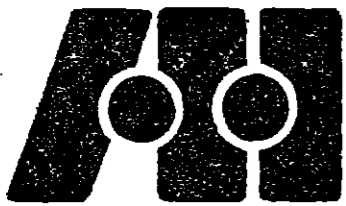
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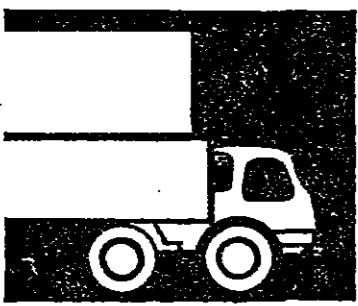
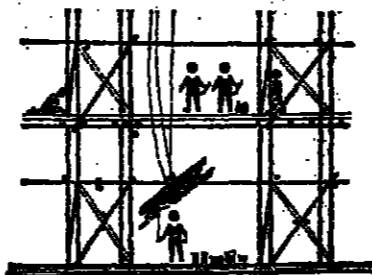
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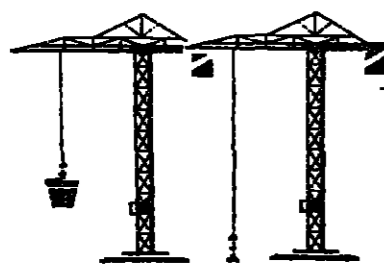
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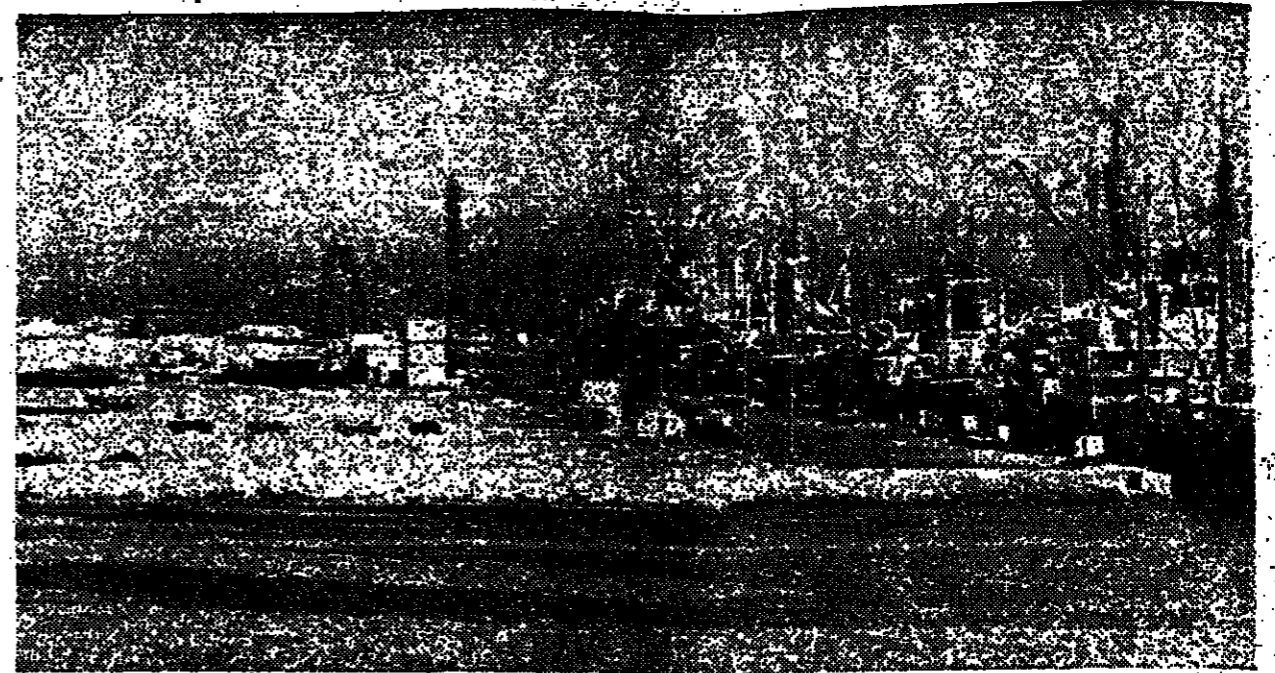
ABU DHABI
SAUDI ARABIA

AGENTS FOR
CITROEN

AGENTS FOR
PEUGEOT

Handwritten Arabic text: مکتبہ المدینہ

TRADE



New berths in Doha port.

Export competition calms down

IT IS not yet known which country will turn out to have sold most to Qatar in 1976. According to Qatari figures for the first half of the year Japan was the leading supplier, with exports of \$30m. (in round figures) accounting for almost 24 per cent of the market, followed by Britain with \$70m. (20 per cent) and the U.S. with \$50m. (9 per cent). For the year as a whole initial unofficial estimates made by the British put U.K. exports to Qatar at over \$170m., though this figure will not necessarily tie in with the Qatari statistics when they are issued.

There are invariably discrepancies between trade figures compiled by exporters and importers because of the time lag between the departure of goods and their delivery—and in the case of Qatar, and other Middle Eastern oil producers, these discrepancies are enlarged by port bottlenecks which even now may involve ships waiting offshore for some weeks before they can unload. Further distortions of the overall pattern stem from the very small size of the Qatar market, which means that a single delivery of a major piece of industrial plant may cause a radical change in the month by month order of suppliers. At present Japan's performance in the Qatar market is being considerably strengthened by imports for the steel mill being built by Kobe.

Meaningless

Together these considerations make exporters' league tables somewhat meaningless, even though they are awaited with anticipation by embassies and others involved in promoting trade with the area. In fact, in the past 12 months or so competition between exporters has become less frenzied than it was in 1974 and early 1975. Some companies, or more to the point the individual salesmen of some companies, who have entered the area since 1973 have now built up a flourishing business, while others have dropped out of the race altogether, but there are still surprising numbers of firms of all nationalities who are approaching the area in totally the wrong way.

A common fault in view of the need (discussed below) for continual personal contact between sales representative and local agent is for companies to maintain too big an area. Because firms are taken aback by the enormous cost of air travel and hotels in the Middle East, they often fail to notice that the great difference in numbers between their domestic and export sales staffs and the very big size of individual orders which may be gained in the Middle East gives them lower costs per unit of sale in exports than in their home market—a fact which should argue for an increase in numbers of the export sales force.

Another problem is in the speed of delivery, an issue of great concern to both private merchants and State authorities, who find that the lack of a large experienced labour force and the continuation of port bottlenecks involves having big sums of money tied up in half-completed projects for much longer than is customary in industrial countries. What is important for the exporter in this context is not just to avoid adding to the buyer's problems by ensuring that there are no delays in the production and shipping of the goods being sold but actually to help the buyer overcome bottlenecks at his end. Being too concerned about cost of delivery, exporters often fail to think of air-freight—not realising that quick delivery may actually save customers money and that profit margins are anyway so big in the Middle East that merchants

can accept (or pass on) increases in costs which might seriously affect the visibility of a company's operations in Europe or America.

Third, there has been the problem of firms not producing goods that are sufficiently tailored to the local market—the classic example being the failure of British motor-car companies to instal air-conditioning in their vehicles. One of the features of the Middle Eastern oil states as importers is that they have the money to go for quality and the exact product they want regardless of price. It is significant that in Iraq since the oil price explosion imports from West Germany, Japan and the U.S. have exploded—increasing by anything up to 20 times—while imports from Eastern Europe and the U.S.S.R. have remained virtually static. The specific problem for the East Europeans has been in part that they are sometimes trying to offload in exports goods that had planing surplus to local requirements but the moral—that products made with the home market in mind will not necessarily be appropriate to the Middle East—is one that applies to all countries.

Finally, there has been the related problem of engineering snobbery—a disease to which the British are particularly prone and the Japanese practically immune. When bidding for projects in the Middle East companies susceptible to this fault have ignored or modified aspects of the specifications put out by the customer, explaining in their bid that the alterations they have made will in fact lead to the building of industrial plant in question being superior to that which would be built under the customer's specifications as they stand. An alternative to this approach, which is at best not very complimentary to the customer and at worst may be ignoring local factors of which only the customer is aware, is to bid according to the exact specifications laid down while attaching a note explaining that the bidder would normally recommend certain modifications in the project which the customer might like to consider should the bidder win the contract.

Azizco

P.O. Box 2455, Doha, Qatar.
Tel.: Doha 27765, 28897, 26351 (2)
Telex: 4502 AZIZ DOHA and
4509 AZTRAC DOHA. Cable: "

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BIDS AND DEALS

EMI's £25.5m. for Development Secs.

In what effectively is an alternative to a rights issue, EMI is bidding £25.5m. in shares for the Development Securities, a company with strong links with the McAlpine family and which consists largely of cash or near cash following the sale last summer of the Dorchester Hotel to Arab interests.

Genting agrees to HME

Genting Highlands Hotel which recently lost the battle for control of Golden Hope Plantations to the Malaysian Government has decided to accept Harrison's proposal for the three-way merger of Golden Hope, London Asiatic and Pataling Rubber under the new holding company Harrison's Malaysian Estates (HME).

BONAS WEBB ACCEPTANCES

Hellas Group announces that acceptances have now been received in respect of 4,022,997 Ordinary shares in Bonas Webb representing 94.28 per cent of the Ordinary capital and 31,199 Preference shares representing 90.08 per cent of the Preference capital.

De Beers

Provisional Annual Financial Statements for the year ended 31st December 1976 and Notice of Declaration of Dividend no. 114 on the Deferred Shares

The following are unaudited abridged versions of the consolidated financial statements for the year ended 31st December 1976, together with comparative figures for the year ended 31st December 1975, which should be read in conjunction with the subjoined note.

Consolidated income statement, Consolidated balance sheet, and Notes sections. Includes financial data for 1976 and 1975, and explanatory text regarding tax collection and dividend declarations.

Notes (1) As a result of the introduction of a "pay-as-you-earn" system of tax collection in South West Africa, the amount required to be provided for South West African taxation in respect of 1975 was less than would otherwise have been the case.

Declaration of dividend No. 114 on the deferred shares. Dividend No. 114 of 25.5 cents per share (1975: 20 cents) being the final dividend for the year ended 31st December 1976, has been declared payable to the holders of deferred shares registered in the books of the Company at the close of business on 25th March 1977.



Head Office: 36 Stockdale Street, Kimberley, South Africa. Anglo America Corporation of South Africa Limited, 40 Holborn Viaduct, London EC1P1AJ. Consolidated Share Registrars Limited, 62 Marshall Street, Johannesburg, (P.O. Box 61051, Marshalltown, 2107).

De Beers Consolidated Mines Limited

NOTICE OF REDEMPTION To the Holders of THE INDUSTRIAL BANK OF JAPAN FINANCE COMPANY N.V. 9 1/2% Guaranteed Notes Due 1982

Large table listing note numbers and amounts for redemption. Includes columns for note numbers and amounts in various currencies.

On April 15, 1977, the Notes designated above will become due and payable in its currency of the United States of America as at the time of payment shall be legal tender payment of public and private debts.

Bristol Waterworks Company

Map of Bristol Waterworks Company area showing various districts and water supply infrastructure.

FINANCIAL EFFECTS OF BEATING THE DROUGHT

The cost to the Company of maintaining an uninterrupted water supply during the 1977 and the continuing effects of inflation are commented upon in the statement circulated Chairman of Bristol Waterworks Company, Mr. A. N. Irens CBE, with the Report and Accounts presented at the 131st Annual General Meeting of Stockholders on Monday, 4th April.

EX BEAVER CHIEF ACCEPTS CHI OFFER

Mr. Tim Hearley, chairman of CH Industrials, reveals in a letter to Beaver Group shareholders that the former chairman of Beaver, Mr. Felix Merz—who stepped down in January with a compensation payment of £30,000—has accepted the CHI offer in respect of the 0.8 per cent holding.

HAMILBORNE ON REED & MALLIK

Hamilborne, which owns 28 per cent of Reed and Mallik, is urging shareholders to reject the agreed £10m. counter-bid from Russ and Tompkins and accept its own offer.

BURMEISTER & WAIN ACQUIRES SOUTER

Burmeister and Wain, the Danish shipping concern, has signed an agreement to acquire the assets, agency, management and forwarding departments of W. A. Souter and its subsidiary, Sealbulk Chartering.

BERNARD SUNLEY

The purchase by Bernard Sunley Investment Trust, reported yesterday, of a flat portfolio for £15.5m. from Legal and General Assurance Society, is stated to be on behalf of a consortium in which Bernard Sunley will maintain a 20 per cent equity stake. The deal will involve BSIT in "a maximum investment of £1m."

MAJULI TEA

The offer by Royal Tea Holdings for the control of Majuli Tea Holdings has now become unconditional.

DERITEND

Deritend Stamping has completed the negotiations for the acquisition of A. V. Milton Company and its two subsidiaries.

HAT GROUP

Plans to continue the business of painting contractors formerly carried on by Abbott painting contractors, Abbott of Harrow and a subsidiary of Southamp, have been purchased by the on-going trade from the receiver. The businesses will be carried on under the name of Abbotts.

SHARE STAKE

British Printing Corporation has sold 174,000 Marshall Cavendish Ordinary shares reducing its holding to 2,338,576 shares.

ASSOCIATE DEAL

James Capel has bought on behalf of Morrison Son and Jones International 2,837 Kimpler at 80p.

LEADING NEWS

Beers raise gem prices

J. CHEESBRIGHT

De Beers' biggest diamond sale this year is expected to total \$470m, against \$187.5m at the end of 1976.

Consolidated Mines of De Beers has coupled the sale of diamonds with a decision to raise its average price of 15 per cent. The dividend is 22.5 cents a share, a total for 1976 of \$1.25. In 1976 there was a 28 per cent increase in the price of diamonds, to 20 cents a carat. The price in 1976 was \$237m, compared with \$187.5m in 1975. This is behind the rise in the price of diamonds since 1951, when it was \$1.25 a carat. Adjustments for inflation follow, giving a rise of 178 per cent in 1976, 97 1/2 per cent in 1975, and 5 1/2 per cent in 1976. The strength of the market is shown by the fact that the price paid for a 2.75 carat diamond in South-West Africa had fallen to \$229,500, from \$304,400 in 1975. The amount of cash De Beers has on hand is the greatest in the company's history, at \$470m.

Some of this cash will be absorbed in the Rand Selection Corporation \$80m rights issue, which De Beers with its 40 per cent stake is underwriting. Further expenditure on expansion in Botswana and Namaland is also likely.

PENKALEN'S DREDGE

The increase in tin prices has enabled Pengkalen, the tin producer with mines in Malaysia in which Gopeng Consolidated is a 53 per cent stake, to re-work additional areas of tailings. But in its annual statement, the chairman, Mr. J. T. Chappell, says that after three or four months the dredge will have exhausted its remaining life on the company's leases. Pengkalen awaits official permission for a road deviation on the property and the construction of a new bridge. There are problems about the design and cost of the bridge. Such developments would give the dredge a further profitable working life of two years. Pre-tax profits in the year to September were \$235,267 against \$418,172 in 1974-75.

MALAYAN TIN'S PROFITS RISE

The higher level of tin prices in the second half of last year caused both Malayan Tin and Southern Malayan Tin of the London Tin group to register handsome increases in their interim net profits. Group net earnings at Malayan Tin were \$1.5m in the six months to December against \$78,000 in the same period of 1976. At Southern Malayan net profits for the first half to December were \$240,000, compared with \$24,800 of stones on hand at the end of 1976. The 1977-78 financial year. Both companies received an

London it falls

The net interim dividend is held at 1.06p per 20p share. Last year's payments, totalling 3.48p, were paid from a depressed profit of \$130,252. The half-year profit was struck after depreciation of \$49,900 (\$45,950) and interest of \$14,750 (\$8,600). Mr. Davy says he will shortly reach 65 and he has decided to reduce his joint responsibility as chairman and managing director. The company has a larger order book than at the end of time and should this June and Mr. Davy will continue demand continue it has part time as chairman.

average of \$4,988 a tonne of tin in this year's first half. In the same period of the 1974-75 year they had received an average of \$3,051. At the end of the half year Malayan Tin's production was running ahead of that in the 1975-76 year and the latest output figures for February show that this trend has continued. After eight months output was 2,211 tonnes against 1,324 tonnes in the last financial year. The position is different at Southern Malayan where the production is running at a lower level. By the end of February output had reached 1,494 tonnes compared with 1,731 tonnes at the same stage of the previous year. The latest production figures for these and other companies in the London Tin group are compared in the table below:

	Feb. 1976	Jan. 1976	Dec. 1975
Malayan Tin	2,211	2,181	1,807
Southern Malayan Tin	1,494	1,494	1,731
Other London Tin Group Companies

Four weeks. Five weeks.

ROUND-UP

The Canadian nickel producer, Inco, is forming a new

Hudson Bay sells potash unit

THE CANADIAN arm of South Africa's Anglo American Corporation, Hudson Bay Mining and Smelting, has agreed in principle to sell its Sylvite potash operation in Saskatchewan to the Potash Corporation of Saskatchewan, which is owned by the provincial government, for \$214m (£80m) in cash.

AYER HITAM TIN PRODUCTION

Output at Ayer Hitam Tin Dredging continues at record levels, the output figures for February reveal. After eight months of the current financial year concentrate production was 3,454 tonnes compared with 2,056 tonnes in the corresponding period of the 1975-76 year. The figures consolidate the trend apparent in the first half of the year. Last Friday Ayer Hitam announced net profits for the half to December of \$312.8m (£29m) compared with \$413 in the 1975-76 first half.

Elsewhere in the Troch group, Troch Mines produced 350 tonnes in the first two months of its current financial year, compared with 221 tonnes in January and February, 1976. Outputs are listed in the following table:

	Feb. 1976	Jan. 1976	Dec. 1975
Ayer Hitam	3,454	2,181	2,056
Troch Mines	350	221	221

MINING BRIEFS

RAHMAN HYDRAULIC TIN - February output of tin 17 tonnes (January 21 tonnes). KILLINGHALL TIN - February output of tin 10 tonnes (January 7 tonnes). GOLD AND BASE OF NIGERIA - January output of concentrate tin 27 tonnes, cobalt 1 tonne (January 20 tonnes and nil respectively).

Telephone and General Trust

	1976	1975
Revenue available for Ordinary Stockholders	£854,287	£730,076
Basic earnings per stock unit of 25p	8.531p	8.146p
Dividend per stock unit of 25p	8.5p	7.0p
Investments at Valuation	£18,172,472	£26,228,281
Net assets attributable to Ordinary Stockholders	£16,134,832	£17,028,722
Net asset value per Ordinary Stock unit of 25p	130p	130p

Copies of the document giving details of the proposed Scheme of Arrangement and Amalgamation whereby this Company will be merged with Temple Bar Investment Trust Limited were despatched to stockholders on 4th March, 1977.



To the Shareholders of
AKTIESELSKABET JOENSEHAVNS HANDELSBANK (COPENHAGEN HANDELSBANK A/S)
COPENHAGEN

Final delivery of coupon No. 4 belonging to the share certificates issued by the Bank in September, 1976, payment will be made of a dividend of 12% (less 30% dividend tax) for the year 1976. We draw the attention of shareholders to the fact that the Bank has published on the special taxation rules pertaining to shareholders who are non-residents of Denmark. A folder is obtainable from N. M. Rothschild & Sons Ltd., Box 185, New Court, St. Swithin's Lane, London EC4P 4DU.

Payment will take place at the Bank's Head Office at 2 Holms Kanal, DK-1091 Copenhagen, Denmark, or through N. M. Rothschild & Sons Ltd.

Coupons Nos. 2 and 3 were used in connection with the issue of the Bank's share capital in May 1976. Holders of coupon No. 2 continue to be entitled to bonus shares.

Share certificates issued in 1973 and before were called in for change for new share certificates as announced in the press on the 17th November, 1975. The exchange will be made at the Bank's Head Office or through the intermediary of N. M. Rothschild & Sons Ltd.

9th March 1977

United Biscuits Sales top £500 million



1976 Preliminary Figures and Extracts from the Statement by the Chairman, Hector Laing.

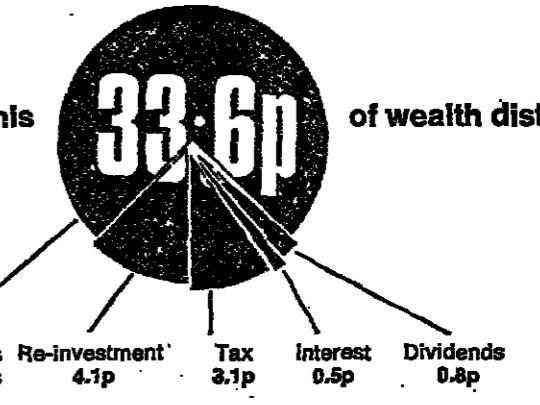
Results for the Year

1976 was another very successful year. We achieved real profit growth for the sixth consecutive year. As the following table shows, all sectors of our world-wide business contributed to the increase in Group profits over 1975.

(Subject to final audit)	1976 £m	1975 £m	Difference £m	%
Sales				
United Kingdom	302.6	260.2	+42.4	+16.3
U.S.A.	200.9	157.5	+43.4	+27.6
Europe	12.7	7.5	+5.2	+69.3
Rest of World	4.8	6.3	-1.5	-23.8
Trading Profits				
United Kingdom	22.4	19.0	+3.4	+17.9
U.S.A.	14.0	9.2	+4.8	+52.2
Europe	(0.8)	(2.0)	+1.2	—
Rest of World	0.3	(0.2)	+0.5	—
Interest - Net Cost	2.7	3.7	-1.0	-27.0
Net Profit before Tax	33.2	22.3	+10.9	+48.9

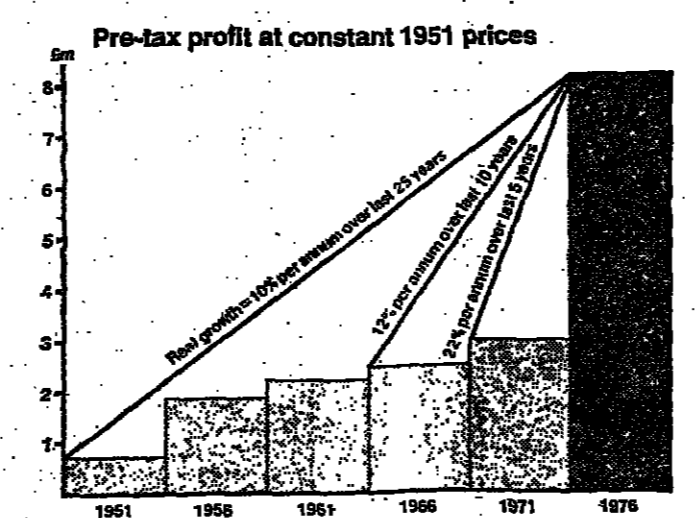
Statement of Value Added

Group Sales	£521m = 100p
Bought-in Goods & Services	£346m = 66.4p
Therefore we earned	£175m = 33.6p



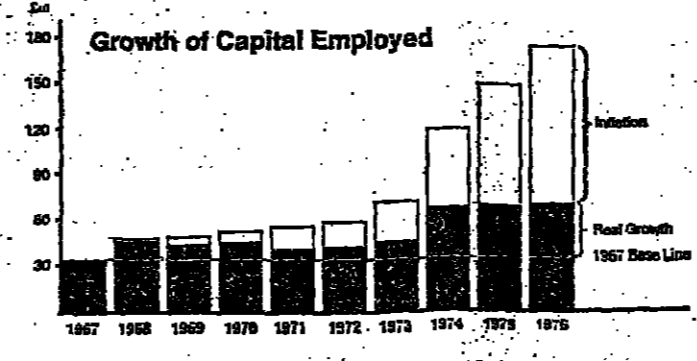
An Accelerating Growth Pattern

In this Jubilee year I thought our shareholders would be interested in the progress our Group has made over the last 25 years.



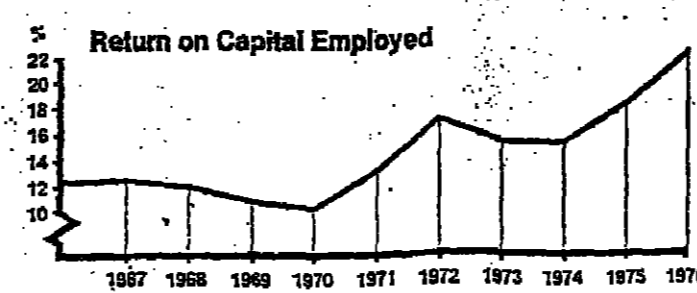
Growth of Capital Employed

Industry is often criticised for its failure to invest. This chart shows the very substantial increase in capital employed in our business since 1967, without which our recent rapid growth in profits would not have been possible. The chart also highlights the very serious impact of the recent high levels of inflation.



Return on Capital Employed

Over a difficult decade for business our Group's return on capital employed has shown a very satisfactory improvement from 12.7% in 1967 to 22% in 1976.



Price Control - The Effect on Job Security in the U.K.

Influential voices are demanding tighter price controls. To keep food prices down by legislation as an automatic political reaction to consumer and trade union pressure is, and has proved to be, an extremely shortsighted policy and a recipe for disaster. We have to face the fact that costs are rising rapidly. If these costs are not to be fully reflected in increased prices, there must be an element of subsidy. As far as companies are concerned, the added value chart shows quite clearly that this subsidy can only come from current wages or from the funds allocated to re-investment - on which the future prosperity of the country depends. Let those who are advocating tighter price controls tell the 750,000 people employed in the food and drink industry which they think it should be.

Human Relations

The future development of the Group and the job security of our workforce depend on a continuing programme of investment. We have therefore put our employees and to our Unions, a discussion document outlining proposals whereby we could offer security of employment - with a service qualification - on the understanding that a pre-determined percentage of sales - probably 5% minimum - be allocated annually to investment, and that the workforce will be flexible in their working arrangements.

We are now looking at the possibility of finding a formula for sharing any savings in the manpower element of added value with our employees.

Thanks to Staff

I would like to take this opportunity of once again thanking all those within the company for their dedication, enthusiasm and hard work, without which these results could not have been achieved - and not forgetting their predecessors, now pensioners, who have helped build the foundations for our current success. U.S., like every other successful company, owes much of its success to its managers - senior and junior - and I would like to pay a special tribute to them at this time when the incomes policy has seriously eroded differentials, and legislation has eroded their authority. Industry needs managers with leadership qualities, with the vision to see what must be done and the courage to carry it out. We will not get these qualities on the cheap. Talented young people who are not given adequate financial incentives will continue to emigrate - a situation the country cannot afford.

Outlook for 1977

I am confident we can look forward to another very satisfactory year's trading. In the U.K. this will depend on our being able to recover cost increases resulting from government action, the fall in the value of the £ and the sharp rises in the price of some commodities. In the U.S.A. we are expanding our Keebler Company's production facilities to meet increased demand.

United Biscuits

United Biscuits (Holdings) Limited, Syon Lane, Isleworth, Middlesex TW7 5MN
McVITIES • CRAWFORDS • MACFARLANES • KP • CARRS • WIMPY • KEEBLER

INTERNATIONAL FINANCIAL AND COMPANY NEWS

Andreotti asks co-operatives to buy SGI stake

BY PAUL BETTS

ROME, March 8

SIG. GIULIO ANDREOTTI, the Italian Prime Minister, has intervened directly in the troubled affairs of Societa Generale Immobiliare di Roma (SGI), Italy's largest property and construction group with substantial foreign interests...

Bofors plans scrip issue and raised dividend

BY WILLIAM DULLFORCE

AFTER A lower earnings decline than anticipated in 1976 the Board of Bofors, the Swedish armaments, steel and chemicals concern, proposes to raise the dividend payment and to make a bonus share issue.

The order intake was down from Kr.2.7bn. to Kr.2.44bn. but the 1977 figure was exceptionally high. Sales grew by 12.6 per cent to Kr.1.93bn. (228m.) last year while pre-tax earnings fell by 11.7 per cent to Kr.125.5m. (17.3m.). This is considerably higher than the forecast of an income under Kr.100m. made by the managing director, Mr. Claes-Ulrik Winberg, at the annual general meeting last year.

STOCKHOLM, March 8

The Kr.43.6m. profit, struck after net financial costs but before any taxes, appropriations or extraordinary items, conceals earnings of Kr.48.4m. by the former Ahlen-Och Holm concern...

Parkes property collapse

By James Forth

SYDNEY, March 8

THE PARKES Developments Property group collapsed today with debts totalling more than \$A80m. Desperate week-end attempts to obtain additional funds for the group to stave off a liquidity crisis failed and the company was placed in provisional liquidation today.

PIRELLI BRAZIL

Striking a balance

BY SUE BRANFORD IN SAO PAULO

PIRELLI SA Companhia Industrial Brasileira had a better year in 1976 than was originally expected. According to Sr. Luciano Isola, managing director of the company, consolidated sales, excluding all taxes and credits, for the year were up 20 per cent to \$US50m.

EUROBONDS Morocco Refining raises Ry.100m.

BY TONY HAWKINS

THE MOROCCAN Refining Company—Soc Anonyme Marocaine De L'Industrie Du Raffinage—is raising 100m. Saudi Riyals private placement (\$28.3m.) follows a 10m. Kuwaiti Dinars (\$28m.) placement for the same company carried out earlier this year by BAIL.

BONDS/TRADE INDEX table with columns for Tuesday, Monday, Medium, Long, Convertible and values.

EEC likely to agree on accounting practices

BY MICHAEL LAFFERTY

BRUSSELS, March 8

EXTENSIVE NEW EEC requirements designed to harmonise accounting practices throughout the European community will be adopted by the Council of Ministers in Brussels later this year.

Alcoa lifts depreciated

ALUMINUM COMPANY of consolidated sub-America said its 1976 depreciation charges when calculated on the basis of estimated replacement costs were 75 per cent higher than the depreciation \$4.14 a share, inc. expense reported in its regular earnings from financial statements.

Table showing Alcoa's financial performance: Revenue, Profit, Per share, etc.

Extracts from the Statement of M. R. C. H. I. During the past year we have sold 14% more A-taxicabs in London than during the previous year...

PENKALEN LIMIT

Extracts from the Statement of the Chairman Mr. J. T. Chappel, C.B.E., F.I.M.M., circulated with Report and Accounts for the year ended 30th September 1977.

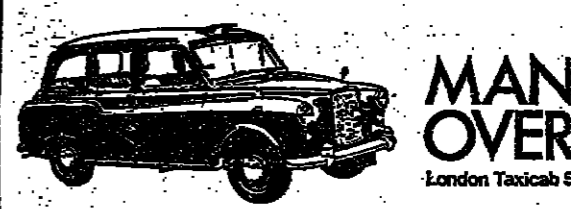
Carrefour profit up

CARREFOUR, the major French supermarket chain, has posted a net profit for 1976 of Frs.118.1m. in 1975, AP-DJ reports from Paris.

DOMESTIC BONDS Finland yen bond issue

FINLAND is expected to launch a bond issue totalling up to Y12bn. next month in the second foreign loan to be floated on the Tokyo domestic market this year.

Advertisement for INSTITUTO DE RECURSOS HIDRAULICOS Y ELECTRIFICACION. U.S. \$25,000,000 MEDIUM TERM LOAN. THE REPUBLIC OF PANAMA. Managed by INTERUNION-BANQUE, TOKAI BANK NEDERLAND N.V., EURO-LATINAMERICAN BANK LIMITED, THE MERCANTILE BANK OF CANADA, CANADIAN AMERICAN BANK S.A.



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Handwritten scribbles at the bottom of the page.

INTERNATIONAL FINANCIAL AND COMPANY NEWS

Handwritten signature/initials in a box.

Stein family accept Tiger terms

OWN CORRESPONDENT
The Dutch-based transport and distribution company is raising its 1976 profits...

at R19.6m. and takes shareholders out above asset value and at an unheard-of, for these times, exit yield of 2.7 per cent...

best to finance the deal and the wording of the official announcement was deliberately left as obscure as possible...

Khoed lifts its dividend

THE DUTCH-BASED transport and distribution company is raising its 1976 profits...

KNP Kappa bid
KON. NEDERLANDSE PAPIER-FABRIEKEN (KNP) is to make a cash bid for Kappa, the Dutch paper and hard board manufacturer...

Ballast boost abroad
HERALDING what should be a batch of improved earnings from the major companies in the Dutch construction sector...

Ballast Nedam said cash flow had risen to Fls.50.8m. or to Fls.54 (Fls.36.70) per share. Net profit was Fls.13.30 per share (Fls.1.80).

profits rise
ANDSE Creditbank reported that its 1976 profits rose about 26 per cent...

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EL AL traffic rises

EL AL ISRAEL Airlines reports a 30 per cent increase in the number of passengers carried in 1976...

Ballast Nedam said cash flow had risen to Fls.50.8m. or to Fls.54 (Fls.36.70) per share. Net profit was Fls.13.30 per share (Fls.1.80).

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SINGAPORE COMPANIES Development Bank record

THE DEVELOPMENT BANK of Singapore (DBS)—one of Singapore's "Big Four" local banks—has reported a record 68.9 per cent increase in group after tax profit to S\$18.43m. for the year ending December 1976.

Total assets also rose impressively by 37.8 per cent to S\$3.2bn. at the group level and 37.3 per cent to S\$3.19bn. at the bank level. The bulk of the increase again came in the second half.

At the bank level, after tax profit advanced by 36.3 per cent to S\$15.6m. The fact that profit at the group level improved at a faster rate than the bank figure indicates the strong headway made by its subsidiaries—which are primarily involved in property, manufacturing and servicing industries.

Anti-climax at Amoy land sale
HONG KONG'S largest land sale in recent times, the site had been expected. While it remains to be seen whether the site will be re-auctioned or sold by private treaty, the outcome to-day had a depressing effect on share prices, particularly in the property sector.

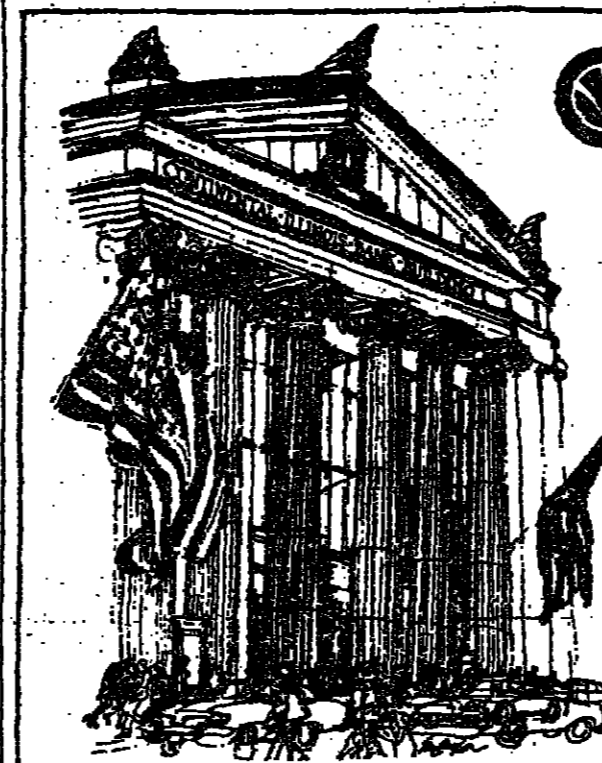
Vereins und Westbank growth

Vereins und Westbank F.T.R. good results achieved in Hamburg, has announced that its total balance sheet assets rose to 9.8 per cent to DM6,264bn. at December 31, 1976, from DM5,703bn. at the end of 1975.

Due to the excellent performance of the service business, total net operating income flow from commissions and service charges increased by 15 per cent in 1976, compared with an increase of 8 per cent in 1975.

SELECTED EURODOLLAR BOND PRICES MID-DAY INDICATIONS

Table with columns for bond types (STRAIGHTS, D-MARK BONDS, CONVERTIBLES) and various bond names with their corresponding prices and yields.



CONTINENTAL ILLINOIS CORPORATION AND SUBSIDIARIES CONTINENTAL BANK

211 SOUTH LA SALLE STREET, CHICAGO, ILLINOIS 60603

Last year was another year of record earnings. Earnings before security transactions for the full year 1976 were a record \$130,971,000, a 10.1 per cent increase over 1975 earnings of \$118,912,000.

Consolidated Statement of Condition / DECEMBER 31 (in thousands)

Large financial table showing assets, liabilities, and equity for Continental Illinois Corporation and Bank for 1976 and 1975. Includes sections for Assets, Liabilities and Shareholders' Equity, and Income and Dividends per Share.

Worldwide banking service from the Japanetherlands.



euro currency finance trade finance term loans underwriting TOKAI BANK NEDERLAND N.V. A wholly owned subsidiary of the Tokai Bank Ltd., Japan. Office: Keizersgracht 431 Amsterdam-Holland. phone: 020/23 96 25 - telex 126068

NOTICE OF REDEMPTION

To the Holders of Comcalco Limited 10% Notes Due 1987

Issued under Indenture dated as of April 1, 1975

THIS IS HEREBY GIVEN that pursuant to the provisions of the above-mentioned Indenture...

NOTES OF \$1,000 EACH

Table listing serial numbers and names of note holders for Comcalco Limited 10% Notes Due 1987.

April 1, 1977 the Notes designated above will become due and payable as aforesaid in such coin or cur...

COMCALCO LIMITED

NOTICE

following Notes previously called for redemption have not as yet been presented for payment

Table listing serial numbers of notes not presented for redemption.

Balance sheet for Comcalco Limited as at 31st March 1976, showing assets and liabilities.

Profit and Loss account for Comcalco Limited for the period ended 31st March 1976.

Statement of Financial Position for Comcalco Limited as at 31st March 1976.

1A BALANCE SHEET OF THE ENLARGED GROUP showing a pro forma balance sheet of the Enlarged Group as at 31st March 1976...

1B BALANCE SHEET OF THE ENLARGED GROUP showing a pro forma balance sheet of the Enlarged Group as at 31st March 1976...

1C BALANCE SHEET OF THE ENLARGED GROUP showing a pro forma balance sheet of the Enlarged Group as at 31st March 1976...

1D BALANCE SHEET OF THE ENLARGED GROUP showing a pro forma balance sheet of the Enlarged Group as at 31st March 1976...

1E BALANCE SHEET OF THE ENLARGED GROUP showing a pro forma balance sheet of the Enlarged Group as at 31st March 1976...

1F BALANCE SHEET OF THE ENLARGED GROUP showing a pro forma balance sheet of the Enlarged Group as at 31st March 1976...

1G BALANCE SHEET OF THE ENLARGED GROUP showing a pro forma balance sheet of the Enlarged Group as at 31st March 1976...

1H BALANCE SHEET OF THE ENLARGED GROUP showing a pro forma balance sheet of the Enlarged Group as at 31st March 1976...

APPOINTMENTS

Two Sainsbury executives posted to Board

Two executives of J. SAINSBURY have been appointed to the main Board. They are Mr. R. A. Ingham...

Mr. John S. Goffar has been appointed a director of the NATIONAL BISCUIT MANUFACTURERS...

Mr. Stanley D. Lyon, a deputy chairman of IMPERIAL CHEMICAL INDUSTRIES, is to retire from the Board on March 31...

Mr. J. I. Gamble, a director of the Sabah Timber Company, has been elected president of the TIMBER TRADE FEDERATION...

Mr. M. E. Humphrey (Teesside) will be elected president of the Northern Counties Region of the NATIONAL FEDERATION OF BUILDING TRADES EMPLOYERS...

Mr. G. E. Bowdler has become managing director of the NEW CENTURY CLEANING COMPANY...

NOTICE OF REDEMPTION

The Japan Development Bank Fifteen Year 5 3/4% Guaranteed External Loan Bonds

NOTICE IS HEREBY GIVEN that Seven Hundred Forty Five Thousand Dollars (\$745,000) principal amount of the Japan Development Bank Fifteen Year 5 3/4% Guaranteed External Loan Bonds due October 15, 1979 and bearing the following serial numbers have been drawn for redemption on April 15, 1977.

Table listing serial numbers of bonds to be redeemed by The Japan Development Bank.

The Bonds called for redemption will become due and payable on April 15, 1977 at the full principal amount...

Interest on the Bonds so called for redemption will cease to accrue from and after the redemption date, to wit, April 15, 1977.

THE BANK OF TOKYO TRUST COMPANY as Fiscal Agent

Dated March 9, 1977

The following coupon Bonds previously called for redemption have not as yet been presented for payment.

Table listing serial numbers of coupon bonds not presented for redemption.

(2) A holder of Deferred Shares shall be entitled to require his shares to be converted into Ordinary shares at the date of publication of the annual accounts of the Company for the first financial year in which there are disclosed profits before taxation and extraordinary items...

(3) Upon conversion, the Deferred Shares shall become Ordinary Shares ranking pari passu in all respects with the Ordinary Shares...

(4) Share purchase agreement dated 18th February, 1977 between Mr. J. Lowe, Mrs. H. Lowe, Mr. J. Collinson and Mrs. E. Collinson...

(5) Share purchase agreement dated 18th February, 1977 between Mr. E. A. Hickson, Mrs. A. J. Hickson, Mrs. J. M. Hickson and the Company...

(6) Share purchase agreement between the Company and Mr. P. E. Barry under which Mr. Barry is to be appointed managing director of the Company...

(7) An agreement dated 18th February, 1977 between J. Lowe (Engineers) Limited and Beetroot for the purchase by Beetroot of a miscellany of processes equipment at a price of £23,700...

(8) The expenses of the arbitrators referred to above and of the application for listing by the Company are estimated to amount to £3,500 exclusive of VAT and are payable as to £46,000 by the Company...

(9) The terms and conditions of the new share agreements would not be greater than that to which they were formerly entitled.

(10) A certificate of exemption has been obtained by the Council of The Stock Exchange under Section 89 of the Companies Act 1948.

(11) The Memorandum and Articles of Association of the Company.

(12) The audited consolidated accounts of the Company for the two years ended 31st March 1976 and the audited accounts of the company being acquired for their latest two completed financial years.

(13) The letters relating to profit forecasts referred to above.

LIQUID AIR CORP.

The Board of Directors of Liquid Air Corporation of North America declared the regular quarterly dividend of 35 cents per common share payable March 21, 1977 to shareholders of record March 10.

Mr. Kenneth C. Finch has been appointed Vice-President of CITIBANK, N.A. He is division head in the bank's World Corporation Group and is based in London.

Mr. Peter T. Grauer, vice-president, has been appointed head of the petroleum and mining division of the World Corporation Group.

Mr. Tom Shaw has been appointed a director of WALKER AND HOMER and continues as secretary.

Mr. G. A. Bowler has been appointed a trustee of the NATIONAL MARITIME MUSEUM in succession to Captain D. S. Tibbits, who has resigned.

Mr. Stanly D. Lyon, a deputy chairman of IMPERIAL CHEMICAL INDUSTRIES, is to retire from the Board on March 31.

Mr. M. E. Humphrey (Teesside) will be elected president of the Northern Counties Region of the NATIONAL FEDERATION OF BUILDING TRADES EMPLOYERS in succession to Mr. Brian Richardson (Darlington), at the annual meeting on March 11.

Mr. G. E. Bowdler has become managing director of the NEW CENTURY CLEANING COMPANY.

Mr. J. I. Gamble, a director of the Sabah Timber Company, has been elected president of the TIMBER TRADE FEDERATION.

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COMMODITY MARKET REPORTS AND PRICES

Ready rise in arm values

Bullish ND prices continued to rise through the end of the year...

Rise in rubber

RUBBER prices will rise later this year, technical factors are the short-term outlook...

Smelter talks down

EW YORK, March 8, negotiations have been held between Asarco...

Australia sells China 2m. tonnes of wheat

By KENNETH RANDALL CANBERRA, March 8. AUSTRALIA HAS signed a contract with China to supply 2m. tonnes of wheat...

Few signs of textile confidence rising

MELBOURNE, March 8. THERE ARE few signs of any significant increase in textile industry confidence...

Steep fall in cocoa and coffee

By Richard Mooney COCOA AND COFFEE prices on the London terminal markets fell dramatically yesterday...

Call for cut in Canada's wheat sowing

By Our Own Correspondent OTTAWA, March 8. MR. OTTO LANG, Minister in charge of the Wheat Board...

Controlled

Their activities are controlled by the Kenya Tea Development Authority...

SUGAR

LONDON DAILY PRICE (raw sugar) 125.00 (124.00) a tonne of 100 lb...

COFFEE

Lack of winter interest and trading in New York C contract away from the market...

RUBBER

STEADIER opening on the physical market. Pair interest throughout the day...

SOYABEAN MEAL

The market opened down on an easier Chicago close and soon firming on speculative buying...

COCOA

Profit-taking pared gains on a quiet day, reports JCI and Duffus.

GRAINS

THE BALTIIC-Small tonnage of ZEC feed barley traded for March-April shipment...

MEAT/VEGETABLES

SMITHFIELD (prices in pence a pound) Scotch mutton 42.00, heavy 40.00...

Tea price stimulant for smallholders

By JOHN WORRALL, NAIROBI CORRESPONDENT. HIGH WORLD prices have given a big stimulus to Kenya's tea growing industry...

London surge continues along world trend

By OUR COMMODITIES EDITOR. TEA PRICES jumped to new peaks again at the London tea auctions this week...

Controlled

Their activities are controlled by the Kenya Tea Development Authority...

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LONDON DAILY PRICE (raw sugar) 125.00 (124.00) a tonne of 100 lb...

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COMMODITY MARKET REPORTS AND PRICES

Table with columns for Metals (Gold, Silver, Copper, Zinc, Lead, Tin, Nickel, Platinum, Palladium) and Rubber. Includes prices and changes.

Index 01-351 3466 Oct./Dec. Rubber 62.50-63.10

OFFEE reaches £4,000!

of several commodities traded on the London rice markets to have achieved new highs in 1976...

C.S.I. Commodities Ltd

Walsingham House, 35 Seething Lane, London EC3N 4AH.

VANAMID

Feed Antibiotic

ing more out of the feed you put in

ENEVA

service in our Business and Taxation. libox, telephone and ex services.

MOTOR CARS

FERRARI DAYTONA l.h.d. Slick, Champagne leather interior. Low mileage. Stereo radio/cassette.

RALLYE AUTO SPORT

White. Blue vinyl roof. Sunroof. Electric windows. Stereo radio. Immobilizer condition. One owner.

PRICE CHANGES

Table with columns for Metals (Aluminum, Copper, Lead, Tin, Nickel, Platinum, Palladium) and Rubber. Includes prices and changes.

U.S. Markets

Coffee - C contract March 297.00, April 297.00, May 297.00, June 297.00, July 297.00, August 297.00, September 297.00, October 297.00, November 297.00, December 297.00.

Coffee limit up; cocoa limit down

NYCER traded on local and commensurate markets. Gold and copper closed near unchanged in mixed trading.

FINANCIAL TIMES

Table with columns for Reuter's, Dow Jones, and Moody's. Includes various financial indices and their values.

FINANCIAL TIMES

Table with columns for Reuter's, Dow Jones, and Moody's. Includes various financial indices and their values.

Clothing aid in Sweden

By John Walker STOCKHOLM, March 8. The Swedish Government is planning a Kr.440m. (\$61m.) support package to operate in the next two to three years to save the clothing industry from its worst crisis for years.

FINANCIAL TIMES

Table with columns for Reuter's, Dow Jones, and Moody's. Includes various financial indices and their values.

British Funds feature on good demand in thin market
Equities indecisive—index 2.7 down at 404.2 after 411.3

Account Dealing Dates
*First Declara- Last Account
Dealings Dates
28 Mar. 11 Mar. 22

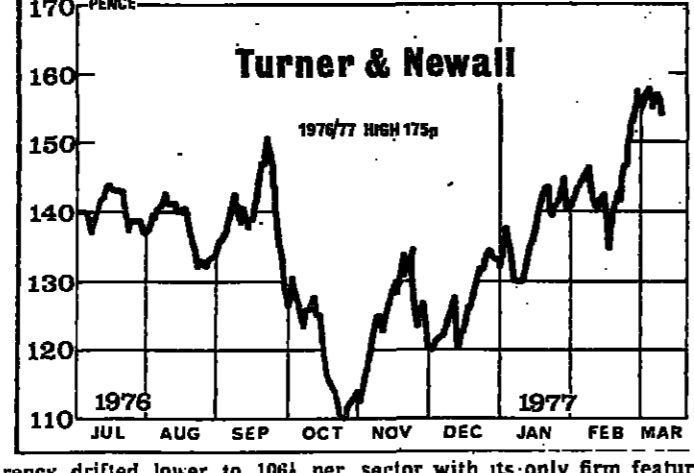
demand expanded on recent stand-
ards. It was still not heavy, but
any selling was easily absorbed

66p, on revived rumours of an
imminent bid from Distillers: the
latter closed without alteration at

its bid for Development Securities
yesterday. After changing hands
between 224p and 214p, KMI

rise of 5 which followed the ex-
cellent results.
Cavenham bid off

featured Inverack, which were
finally 2 better at 60p, after 52p,
on the increased profits. Else-



170 PERCENT
160
150
140
130
120
110
1976 JUL AUG SEP OCT NOV DEC JAN FEB MAR 1977

stores displayed a slightly
easier tendency, which continued
through the "house" close. British

With a few exceptions, leading
miscellaneous industrial stocks
made headway in higher trading

Despite the nervousness of the
Royal Dutch/SHELL group annual
results (due to-morrow) trading

P. and O. Deferred typified
conditions in the Shipping sector,
easing to 127p before setting un-

FINANCIAL TIMES STOCK I

Table with columns: Stock Name, Mar 3, Mar 7, Mar 8, Mar 9, Mar 10

HIGHS AND LOWS S.E.

Table with columns: Stock Name, High, Low, High, Low

Bid situations, actual and prospective,
generally attracted less
activity than of late with further

sector with its only firm feature
yesterday, International Paint, on
the other hand, closed 10p

Shipbuilding concerns continued
to attract a fair amount of interest,
this being prompted by the

Motor and Distributors marked
time awaiting fresh developments
in the British Leyland situation

Camilla Investments provided
the only bright spot in otherwise
listless investment trusts, and

Business in South African Gold
was on a much smaller level
than late as profit-taking trimmed

Financials lac
trade was repor
deregistered is
closed 2 easier
into-Zine was
206p, after 203p,
based Financial
can added 4 at
Corporation fell
in Discounter
ahead strongly
trading to close
at 242p following
increase in divi
the higher 1976
dend, which were
market hours.

RISES AN
YESTE
British Funds
Foreign Bonds
Industrial
Financial and Prof
Plantations
Recent Issues
Totals

APPOINTMENTS

Chief Financial Officer
for London Based U.K. Subsidiary
of large
U.S. Industrial Materials Sales and
Distribution Company

LEGAL NOTICES

In the HIGH COURT OF JUSTICE
Chancery Division, in and for the
County of MIDDLESEX, at the Royal
Court of Justice.

RECENT ISSUES

Table with columns: Issue Name, Price, High, Low, Stock

EQUITIES

Table with columns: Stock Name, Price, High, Low, Stock

FT—ACTUARIES SHARE INDIC

Table with columns: EQUITY GROUPS, Tuesday March 8, 1977, Index No., Index No., Index No.

COMPANY NOTICES

BEARER DEPOSITORY
RECEIPTS
Issued by Morgan Guaranty
Trust Company of New York
representing
ASAHI CHEMICAL
INDUSTRY LTD.

EDUCATIONAL

FRENCH INSTITUTE
(Universities of Paris and Lille)
SECRETARIAL COLLEGE
11, Gower Street,
London WC1E 6RF.

COMPANY NOTICES

TOKYO SANYO ELECTRIC CO., LTD
(CORP.)
The Board of Directors of Tokyo
Sanyo Electric Co., Ltd. announces

ACTIVE STOCKS

Table with columns: Stock Name, Price, Change, 1976-77, 1977-78

OPTIONS TRADED

Table with columns: Call, Put, Price, Strike, Expiry

BANQUE FRANCAISE DU

COMMERCIAL EXTERIEUR
Loan of US\$50,000,000
9%—1975/1982 unconditionally
guaranteed by the French State.

NEW KLEINFELDT PROPERTIES

LIMITED
(Incorporated with limited liability in the
Republic of South Africa)
DIRECTORS:
J. S. Henning, Chairman, E. Brown (Att.
R. N. McCleod, J. A. O'Connell, J. G. S.
MacKenzie (Att. J. W. White (Brisbane))

COMPANY NOTICES

AMSTERDAM DEPOSITORY
COMPANY N.V.
The conditions applicable to this depository
company are set out in the Memorandum
and Articles of Association of the company.

NEW HIGHS AND LOWS FOR 1976/77

Table with columns: Stock Name, High, Low, High, Low

NEW HIGHS AND LOWS FOR 1976/77

Table with columns: Stock Name, High, Low, High, Low

AUTHORISED UNIT TRUSTS

Table listing various unit trusts and their performance metrics, including columns for trust names, dates, and numerical values.

BASE LENDING RATES table listing various banks and their respective interest rates for different types of deposits and loans.

INSURANCE BASE RATES table listing insurance companies and their base rates for various policies.

ART GALLERY advertisement for 'MOON ART EXHIBITION' featuring various artworks.

TEA advertisement for a London-based company offering tea services.

APPOINTMENTS advertisement for a business service.

CUT OVERHEADS advertisement for a management consulting firm.

CALIFORNIA advertisement for a product or service.

Another advertisement for a business service.

INSURANCE, PROPERTY, BONDS

Table listing various insurance, property, and bond companies and their services.

OFFSHORE AND OVERSEAS FUNDS

Table listing various offshore and overseas investment funds.

Prop. Equity & Life Ass. Co.

Table listing various property, equity, and life assurance companies and their services.

NOTES section containing additional information and disclaimers.



FT SHARE INFORMATION SERVICE

INDUSTRIALS - C

BRITISH FUNDS table with columns for High, Low, Stock, Div, Div Yr, and Total Ret.

CANADIANS table with columns for High, Low, Stock, Div, Div Yr, and Total Ret.

BUILDING INDUSTRY - Continued table listing various building companies and their share prices.

DRAPERY AND STORES - Continued table listing clothing and retail stores.

ENGINEERING - Continued table listing engineering and manufacturing firms.

Large table listing various industrial shares, including companies like British Petroleum, Anglo-Siam, and others, with columns for High, Low, Stock, Div, Div Yr, and Total Ret.

Five to Fifteen Years and Undated sections of the BRITISH FUNDS table.

BANKS AND MINE PURCHASE table listing financial institutions and mining companies.

CHEMICALS, PLASTICS table listing chemical and plastic manufacturing firms.

ELECTRICAL AND RADIO table listing electronics and electrical companies.

ENGINEERING, MACHINE TOOLS table listing engineering and machine tool firms.

INTERNATIONAL BANK and CORPORATIONS LOANS table listing international banks and loans.

BEERS, WINES AND SPIRITS table listing alcohol and beverage companies.

CINEMAS, THEATRES AND TV table listing entertainment and media companies.

DRAPERY AND STORES table listing clothing and retail stores.

FOOD, GROCERIES, ETC. table listing food and grocery companies.

AMERICANS table listing various American companies and their share prices.

BUILDING INDUSTRY, TIMBER AND ROADS table listing construction and infrastructure firms.

DRAPERY AND STORES table listing clothing and retail stores.

DRAPERY AND STORES table listing clothing and retail stores.

HOTELS AND CATERERS table listing hospitality and food service companies.

INDUSTRIALS (Miscellaneous) table listing various industrial firms.

Handwritten notes and scribbles at the bottom of the page.

J.P. Hambro & Co. 37

DAWA SECURITIES logo and header

CENTRAL AFRICAN table with columns for Stock, Price, Div, Yld, etc.

AUSTRALIAN table with columns for Stock, Price, Div, Yld, etc.

COPPER table with columns for Stock, Price, Div, Yld, etc.

MISCELLANEOUS table with columns for Stock, Price, Div, Yld, etc.

TEAS table with columns for Stock, Price, Div, Yld, etc.

SRI LANKA table with columns for Stock, Price, Div, Yld, etc.

AFRICA table with columns for Stock, Price, Div, Yld, etc.

EASTERN RAND table with columns for Stock, Price, Div, Yld, etc.

CENTRAL RAND table with columns for Stock, Price, Div, Yld, etc.

FAR WEST RAND table with columns for Stock, Price, Div, Yld, etc.

FINANCE table with columns for Stock, Price, Div, Yld, etc.

INDUSTRIALS-Continued table with columns for Stock, Price, Div, Yld, etc.

MOTORS, AIRCRAFT TRADES table with columns for Stock, Price, Div, Yld, etc.

PROPERTY-Continued table with columns for Stock, Price, Div, Yld, etc.

TRUSTS-Continued table with columns for Stock, Price, Div, Yld, etc.

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TRUSTS-Continued table with columns for Stock, Price, Div, Yld, etc.

COMMERCIAL VEHICLE table with columns for Stock, Price, Div, Yld, etc.

COMPONENTS table with columns for Stock, Price, Div, Yld, etc.

SHIPPERS, REPAIRERS table with columns for Stock, Price, Div, Yld, etc.

SHIPPING table with columns for Stock, Price, Div, Yld, etc.

SHOES AND LEATHER table with columns for Stock, Price, Div, Yld, etc.

SOUTH AFRICANS table with columns for Stock, Price, Div, Yld, etc.

TEXTILES table with columns for Stock, Price, Div, Yld, etc.

NEWSPAPERS, PUBLISHERS table with columns for Stock, Price, Div, Yld, etc.

PAPER, PRINTING, ADVERTISING table with columns for Stock, Price, Div, Yld, etc.

PROPERTY table with columns for Stock, Price, Div, Yld, etc.

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PROPERTY table with columns for Stock, Price, Div, Yld, etc.

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INSURANCE table with columns for Stock, Price, Div, Yld, etc.

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Unless otherwise indicated, prices and not dividends are in pence and dividends are in pence per share.

Prices are shown for shares of 100 pence unless otherwise indicated.

Dividends are shown for the year ended 31st December 1976.

Yields are based on the price of the share on 8th March 1977.

Share prices are shown in pence unless otherwise indicated.

Dividend yields are shown in per cent unless otherwise indicated.

Yields are based on the price of the share on 8th March 1977.

Prices are shown for shares of 100 pence unless otherwise indicated.



Factories & Warehouses Bernard Thorpe London, SW1 Tel. 01-834 6850

Carter to visit London in May

WASHINGTON, March 8. The announcement was held back until the Foreign Ministers of the Nine had discussed the issue over lunch. But they failed to resolve it.

The smaller EEC countries seem bound to raise it at the Rome Summit of EEC heads of Government later this month.

Unbridgeable gulf held at Cavenham

The news that Générale Occidentale is not after all going to make an offer for the 49 per cent minority in Cavenham started the market yesterday.

Index fell 2.7 to 4042. The U.K. Banking Sector Interest-bearing Eligible Liabilities (BELS) chart shows a peak in 1976 followed by a sharp decline in 1977.

Capital inflow boosts balance of payments

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

A CONSIDERABLE flow of capital back into the U.K. from mid-December onwards and a large rise in invisible earnings, are indicated by balance of payments figures for the fourth quarter, published yesterday.

SUMMARY BALANCE OF PAYMENTS (£m.) Table with columns for 1976 and 1977 (1st qtr, 2nd qtr, 3rd qtr, 4th qtr) and rows for Current Account, Investment and other capital flows, Official financing, etc.

The net credit from travel rose from £295m. to £320m. as a result of the large rise in the number of foreign tourists coming to the U.K., while net earnings from financial and allied services, including insurance and banking, rose by £180m. to £335m.

Bhutto denies vote rigging

BY DAVID HOUSEGO, ASIA CORRESPONDENT

MR. ALI BHUTTO, Pakistan's Prime Minister, tonight sharply denied charges that his ruling People's Party had gained its victory at the polls through massive rigging.

Government officials and senior members of the People's Party were nonetheless visibly embarrassed today at the sweeping nature of the party victory.

Money supply drops again

BY MICHAEL BLANDEN

THE MONEY SUPPLY showed a further significant fall last month, the latest banking figures published today, clearly indicate.

Manifesto MPs hit at Marxists

By Richard Evans, Lobby Editor

A MAJOR attempt to give the Moderate wing of the Labour Party a coherent economic, industrial and social strategy was launched yesterday by the Manifesto group of MPs.

Weather

U.K. TO-DAY: DULL, with occasional rain and hill fog but brighter weather will spread from the West.

Greater London: £5.50, East Anglia: £3.58, South East: £3.25, South West: £4.00-£4.50, West Midlands: £1.50-£2.35.

Direct tax reforms urged by Meade committee

BY ANTHONY HARRIS

A DRAFT REPORT on the reform of the direct tax system is being circulated to the TUC, CBI and other interested bodies by the Institute for Fiscal Studies.

Continued from Page 1 Cavenham

the light of Cavenham's present situation and prospects. There were signs last night of some disappointment among certain large shareholders that Générale Occidentale should not have continued the negotiations with a view to hammering out mutually acceptable terms.

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